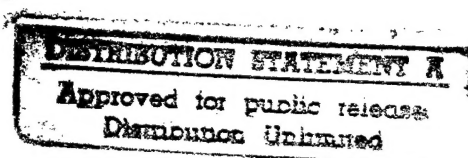


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18 October 1983

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No. 2754

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## TWO NEW GENERATORS BEING PURCHASED USING EIB LOAN

St Georges FREE WEST INDIAN in English 24 Aug 83 p 2

[Text]

IF all goes well, the electrical blackouts now experienced in different parts of the country should become something of the past by next year April.

Two new Ruston Diesel generators, with a capacity to provide some 3600 kilowatts of power, are expected to be installed at the Grenada electricity power station in Queens Park next March.

Grenlec last Saturday signed a contract with the British company, Hawker Siddeley Power Engineering to supply generators at a cost of some \$4,200,352.

Grenada successfully reached an agreement last year August with the European Investment Bank (EIB) for a \$6.2 million loan to purchase the generators and to improve Grenlec's trans-

mission and distribution system.

In his address at the signing ceremony at the Grenada Beach Hotel in Grand Anse, Grenlec manager, Winston Bullen, expressed confidence that the contract met all its technical and other concerns.

The generators, said to be basically comparable to those at the power station, will be fuel efficient, ensuring that more units of electricity will be generated for the same amount of diesel fuel. Grenlec's present generators have a total output of 4,500 kilowatts.

Cde. Bullen signed on Grenlec's behalf, while Brian Eddison signed for Hawker Siddeley.

Bullen also disclosed that expansion work is now taking place at the power station in preparation for the installation of the generators.

The building is being extended and two engine foundation blocks are being built.

According to Bullen, the site should be ready for the generators by December.

There are also plans to improve the electrical system's distribution and transmission network so that it can provide adequate power to vital projects such as the international airport in Point Salines, the hotel industry and the agro-industrial plant.

Bullen said these plans include improving the delivery of electricity to areas throughout the country that do not have.

An extensive study into the potential of hydro-power for generating electricity is expected to start later this year.

## SEAGA SEES PEAT AS ENERGY SOURCE IN TALK TO PCJ

Kingston THE DAILY GLEANER in English 17 Sep 83 p 1

[Text]

**P**RIME MINISTER EDWARD SEAGA said yesterday that the weight of evidence from studies done by the Petroleum Corporation of Jamaica appeared to be coming down on the use of peat as a source of energy alternative to oil.

"If it does turn out to be so, this would be a very significant contribution to the country's energy supply on a basis of having its own reliable fuel and in addition to that, having it at a cost which would represent considerable foreign-exchange savings," he said.

Various studies being done on peat as a source of energy, and peat deposits, as potential conservation areas, were now near completion, Mr. Seaga said, adding that by March 1984, the Government should have the last of these studies which would put it in a position to take the final decision on whether peat was to be used for energy or to be used for ecological reasons.

Mr. Seaga was addressing PCJ's employees following a tour of their offices at Ocean Boulevard in downtown Kingston. He said he looked forward to the final decision to be made next year which held much hope for the future of peat as a source of energy for Jamaica.

The PCJ, he noted, was also involved in a mini-hydro electricity programme which it was about to commence in conjunction with the Jamaica Public Service Company.

Another survey was being conducted by the Energy Division of the Ministry of Mining and Energy to determine what potential existed for mini-hydro schemes throughout the island, Mr. Seaga said, adding that the country derived very little energy from hydro-electric power.

"More and more as the cost of fuel oil increase, we have turned to the possibility of increasing potential hydro-power supply. We do not have a single source that would provide a very substantial amount of hydro-energy," he said.

However, Jamaica had several small sources which, added together, the survey showed, could exceed some 50 megawatts of hydro-energy; some of the fruits of the survey were already in the stage of implementation.

The PCJ would be spearheading in its subsidiary company, about to be established, the engineering of mini-hydro schemes to the extent of some 20 megawatts of electricity supply.

There would be other surveys, he said, to see which ones would reach the stage where they could also be implemented. He hoped that when these surveys were completed and the implementation put in place that Jamaica would have at least 50 megawatts of electricity

from hydro sources. This would represent an indigenous source of power at considerable foreign exchange savings.

Speaking on the search for oil, Mr. Seaga said the offshore/onshore drilling for fossil fuel was unsuccessful in the sense that there were no deposits found which could be commercialised. However, the data gathered in those explorations had proven invaluable and he had visited the PCJ to see the latest reading of the data, resulting from analysis and to look at the new possibilities for explorations for oil.

The PCJ had the overriding responsibility for the supply of petroleum fuel to the country, Mr. Seaga told the employees, explaining that last year the Government took a decision, which was not unanimously acceptable, in the acquisition of the Esso Oil Refinery.

"I am not quite ready yet to speak further on this matter because of a number of developments which are still taking place but when the day comes that I will have the opportunity to speak more fully on it, I'm confident that we'll be able to demonstrate that the acquisition of the Esso refinery was a very positive step and one which will redound to the benefit of the country."

Part of this was the ability of the PCJ to manage its affairs properly; had such an acquisition been contemplated by an agency in which he did not have full confidence, he would never have assented. The Prime Minister said. PCJ, Mr. Seaga said, had demonstrated that it was able to manage its affairs on a most professional level and on that basis he had no fears that it would be able to run Esso as a properly-organised business organisation.

Mr. Seaga paid tribute to the Board of Directors and the Chairman, Mr. Hugh Hart, who is now in Yugoslavia conducting negotiating for a barter deal involving bauxite for housing. He also commended the staff of PCJ who had shown a dedication that generally was not reflected in public corporations, putting them in a competitive advantage over the more sluggish of private sector competitors.

Describing PCJ as one of the most outstanding corporations in the constellation of such corporations in the Government of Jamaica, he said he was very proud to have the responsibility for PCJ and hoped that the pattern it had set would be followed by many others.

Mr. Seaga thanked bi-lateral and multi-lateral agencies that had served the interest of the Government of Jamaica through PCJ — such as the Scandinavian Government, the Inter-American Development Bank, Petrocan International and the Nigerian Government.



## SITUATION OF PETROLEUM COMPANIES REMAINS SHAKY

## Refining Problems

Port-of-Spain TRINIDAD GUARDIAN in English 24 Aug 83 p 4

[Text]

THE PLIGHT of the domestic oil industry is compounded by the current depression in the refining sector. Refinery throughput levels have not shown any improvement over the last quarter, according to the Quarterly Economic Bulletin put out by the Central Bank of Trinidad and Tobago.

In April, refinery throughput averaged 11.6 thousand cubic metres per day (73,269 b/d) compared with a daily average of 12.9 thousand cubic metres (81,437.6 b/d) in the first quarter.

The report, which reviews the second quarter of this year, indicates that for the first four months of this year refinery throughput totalled 1,517 thousand cubic metres (9.5 million barrels), \$6 per cent less than the throughput for the corresponding period last year.

Although the demand for petroleum products in export markets is forecast to increase towards the end of this year, the impact on the local refining industry will be small, at best.

This is because the demand for residual fuel oil, the principal product of the local refineries, is still expected to decline, and the technological adjustments necessary to cope with the shifts in oil product demand will not be completed in the current year.

The steady decline in crude oil production which began in 1979 continued in the second quarter of 1983 but at a slower rate than the previous quarter. In the first quarter crude petroleum output amounted to 2332.9 thousand cubic metres (14.65 million barrels), representing declines of 11.2 per cent and 5.4 per cent below output levels in the first and last quarters of 1982 respectively.

In the first two months of the second quarter, a total of 1556.5 thousand cubic metres (9.77 million barrels) of crude petroleum was produced at a daily average rate of 255 thousand cubic metres (160,352 b/d).

Assuming there are no changes in the daily average rate, the bulletin notes, total output for the second quarter is estimated to be approximately 2,322.1 thousand cubic metres (14.58 million barrels), marginally below output for the first quarter and 11 per cent less than the 260.4 thousand cubic metres (16.3 million barrels) of crude lifted in the second quarter of 1982.

The report forecasts that no immediate recovery is in the offing in the light of apparent deceleration in the rate of decline in the domestic crude oil production.

Rig activity in drilling, well servicing and well work-overs, all of which are useful indicators of future production trends, have declined significantly from levels reached in 1982, the Central Bank report says.

## Shortage of Crude

Port-of-Spain TRINIDAD GUARDIAN in English 25 Aug 83 p 1

[Article by Ed Wynn Brant]

[Text]

TEXACO Trinidad Inc. (Textrin) needs 40,000 barrels daily of crude immediately to keep its Pointe-a-Pierre refinery viable and to save it from premature closure.

Textrin, a wholly-owned subsidiary of Texaco (United States), has made several suggestions to the inter-ministerial committee chaired by Labour Minister Errol Mahabir on how the crude could be made available.

In the first instance, Textrin says it can handle between 35 — 40,000 barrels daily of crude produced by Amoco on the East Coast.

Failing that, Trintoc or any other oil company operating in Trinidad can import crude for processing at the refinery which is operating at 62,000 bd.

Another alternative source could be Venezuela or any of the Latin American oil producers.

The feasibility and future of Texaco's refinery, at one time described as the largest in the Commonwealth, was discussed with the daily media yesterday.

Representing the company were Mr Lloyd G. Austin, general manager; Mr William W. Carter, assistant general manager; and Mr George de Verteuil, technical adviser.

On Amoco supplying 40,000 bd of crude, the company has rebuffed the option.

Mr Robert West president and general manager of Amoco, an oil and gas producer, had said that the Trinidad and Tobago Government can get more money if it allowed the company to export all its crude instead of having some refined locally.

Mr Powers had said that the Pointe-a-Pierre refinery was not geared to handle the lighter East Coast crude.

Yesterday Mr Austin sought to avoid any misunderstanding with Amoco and tried to put the records right. At no time he named Amoco in his discussions and hoped that the situation would not develop into a war of words.

In setting the Texaco record right, Mr Austin said: "First is the report that our refinery was not designed for and could not efficiently process East Coast crude.

"In the past we have handled many lighter crudes than the Galeota production, and we would have no difficulty whatsoever in processing this crude to yield a slate of products, significantly more

valuable than that produced from Trinidad land and Trinmar crudes which we currently process."

Apart from the normal products expected from the Galeota crude, Mr Austin said the refinery was well equipped to utilise the very high naptha (raw gasoline) content of the crude in the catalytic reformers.

The Galeota crude is known for its high aromatics — benzene, toluene and xylene — and those petrochemicals can be fully recovered at Pointe-a-Pierre.

East Coast crude, the general manager said, can provide a high yield of light and medium grades of lube oils which could eliminate the need for importation of special lube plant feed stocks needed for the Texaco lube plant.

Over the past two years oil producing and marketing factors changed. Markets for the slate of products being made from Saudi crude at the Pointe-a-Pierre refinery were reduced to a point that the refinery was no longer competitive.

The refinery can process more than 24 grades of crudes and a decision was taken to operate it entirely on indigenous Trinidad crude.

Textrin's production of 25,000 bd combined with 37,000 bd of Trintoc crude now form the input to the refinery.

Mr Austin emphasised that "this low level of operations is uneconomic because the high fixed expenses are spread over a relatively small volume of crude."

An additional input of 35-40,000 bd of East Coast crude would permit improved utilisation of the full refining facilities which is one of the conditions necessary to bring the refinery into a position to be profitable on the basis of wholly-owned indigenous crude oil input.

### 'TWO BITES'

Dealing with the dollar revenue to Trinidad and Tobago on crude exported made by his counterpart in Amoco, Mr Austin said, "We have no knowledge of the transfer price on which taxes are being paid on East Coast crude, but one thing we are sure of, once these taxes are paid, there is no further revenue to the country.

"On the other hand, the country has two more bites at the cherry when crude is refined in the country — first when it is processed, secondly when it is sold," he said.

Last September Textrin suspended crude imports and throughput fell to about 45,000 bd, the lowest ever. The company later intimated that it was not interested in the local leg of its operation and Trinidad and Tobago Government offered the 75 per cent of its refinery for \$480 million.

Under a processing agreement in which the cash cost is shared, Texaco handles an average of 37,000 bd of Trintoc's crude. Mr Austin said that it costs more than \$4 to process a barrel of crude.

Texaco can become viable if it refines more than 100,000 bd, he said. The company was now importing feed stock from Ecuador, Panama and Jamaica to keep certain plants in operation.

## Government Actions

Port-of-Spain TRINIDAD GUARDIAN in English 26 Aug 83 p 1

[Article by Mikey Mahabir]

[Text]

### SAN FERNANDO:

GOVERNMENT is taking positive steps to see that the petroleum industry in Trinidad and Tobago remains in operation in the interest of the country as a whole, a source close to Government said yesterday.

The Ministerial Committee, headed by Minister of Labour, Social Security and Co-operatives, Mr Errol Mahabir, met on Wednesday afternoon and had two meetings on the future of the oil industry.

One meeting had to do with the tax structure and the committee held its discussions on this all-important item with Amoco Trinidad Limited and Trinmar.

The Minister of Labour confirmed meeting representatives of both companies. He said that Trinmar was asked to supply the committee with certain information.

The other meeting by the committee had to do with the future of Texaco Trinidad Inc.

On this issue, Mr Mahabir said that the committee had finalised its report for submission to the Prime Minister.

Asked to comment on statements by Texaco Trinidad Inc. through General Manager Mr Lloyd Austin on Wednesday at a news conference, on the question of viability of the company, Mr Mahabir said he noted the company's comments with great interest.

He preferred that the comments by Texaco be considered by the Ministerial Committee rather than to give an individual response.

The Minister said it was equally interesting to note that the Texaco statements did not attach a price to be paid for East Coast crude in order to make the processing of

crude viable at the Pointe-a-Pierre refinery.

The company said at the news conference on Wednesday that it needs immediately 40,000 barrels of crude daily to keep its Pointe-a-Pierre refinery viable and to save it from premature closure.

Textrin, it was reported has made several suggestions to the inter-ministerial committee on how the crude could be made available.

The Ministerial Committee, it is understood, has already studied those suggestions and it is only a matter of time for the committee to make a statement on the future operations of the Pointe-a-Pierre refinery.

It is more than a year since Textrin has stopped importing crude from the Middle East, for economic reasons.

Since then, by arrangement with Government, Texaco started to process crude from Trintoc, 37,000 barrels daily, together with its own production of 25,000 barrels. The company has expressed the view it is uneconomical to operate the refinery at that level.

It is now a matter for Government to take the necessary and immediate steps to prevent the Pointe-a-Pierre refinery from premature closure. It was learnt that a statement from Government will be made shortly on the entire oil industry in this country.

## GUARDIAN Evaluation

Port-of-Spain SUNDAY GUARDIAN in English 28 Aug 83 p 6

[Editorial]

[Text]

THE NATION is waiting for clear indications on what the Government will do about the downturn in oil production and refining in Trinidad and Tobago.

Mr. Errol Mahabir, the Minister of Labour, said last week that the Inter-Ministerial Committee had completed its report on Texaco for submis-

sion to the Prime Minister. The Committee also had talks last week with Amoco and Trinmar, the offshore oil producers.

In his 1983 Budget speech the Prime Minister announced emergency measures to keep the Pointe-a-Pierre refinery going in the face of Texaco's stoppage of oil imports for refining and the Company's new policy for its international organisation.

At the time the Prime Minister pointed out that refinery throughput had been reduced "progressively" from a high in 1972 of 327,000 barrels a day at Pointe-a-Pierre to "a current level of approximately 50,000 bpd" and declined at Trintoc refinery for the same period from 67,000 bpd to "just over 50,000 barrels per day at present."

The Pointe-a-Pierre refinery, he said, was being kept on stream at present because of a processing agreement with Trintoc. The emergency measures were designed to guarantee production of 65,000 bpd throughput but this did not avert the need of Texaco to retire early 800 workers and trim all activities not related to petroleum production and refining. It also did not remove entirely the threat of closedown of Pointe-a-Pierre refinery, as is now evident.

The Government, a few weeks after the announcement in Parliament of the emergency measures, rejected (1) Tesoro's offer of its minority shareholding in Trinidad/Tesoro (because of a reputed prohibitive asking price) and (2) took under consideration a reported \$480 million offer by Texaco of 75 per cent take in the Pointe-a-Pierre refinery.

As part of its efforts, promised in the Budget speech, of rationalising the refining operations of the country, a measure encompassing all the oil companies operating locally, the Government approached Amoco to inquire whether Amoco would purchase a 25 per cent interest in the Texaco refinery. A month ago Amoco responded to the Government, we have learned, but the exact nature of the response has not been revealed.

Whatever it was, the reality is that Amoco remains a major force in any realignment of the petroleum industry in this country, especially in the short term stabilisation of the industry and the efforts at gearing it up for the future long pull.

## Emergency measures

That is why the latest public words from Texaco and Amoco are so disconcerting.

Texaco, under the emergency measures announced in December, was to produce 65,000 bpd from indigenous crude, of which Texaco was expected to refine on a fee basis 37,000 bpd for Trintoc on a no-profit processing fee basis. Following the March 31 deadline it is reported that the activities are going on in much the same way without a formal extension of the arrangement.

Texaco has now announced that it requires 40,000 bpd more or will have to close the refinery. Amoco says its East Coast crude would be more profitable to sell abroad than to refine locally. Texaco says it can refine Amoco crude at Pointe-a-Pierre but an independent oil industry source has suggested that this is debatable.

Whether or not Texaco can process Amoco crude, whether or not Amoco ought to be permitted to export its crude, crude must be found

from somewhere for Pointe-a-Pierre refinery.

The situation in the industry is described in the Central Bank's half-year report for 1983, just published.

Commenting on the performance of the petroleum industry since 1979, the Bulletin said that "Notwithstanding the apparent declaration in the rate of decline in domestic crude oil production observed in the latest quarter, no immediate recovery should be expected. Rig activity in drilling, well servicing and well workovers, all of which are useful indicators of future production trends, have declined significantly from levels reached in 1982.

"The plight of the domestic oil industry is compounded by the current depression in the refining sector. Refinery throughput levels have not shown any improvement over the last quarter.... For the first four months of the year refinery throughput totalled... 56 per cent less than throughput for the corresponding period in 1982."

## Drop in prices

Further, the Bulletin pointed out that even if general demand for petroleum products picks up in export markets "the impact on the local refining industry will be small, at best," because demand for residual fuel oil, its principal product, "is still expected to decline and the technological adjustments necessary to cope with the shifts in oil product demand will not be completed in the current year."

Texaco has been frank concerning these developments. It's June 1983 "Star" house organ stated bluntly that due to the major drop in oil prices which "aggravated an already untenable tax position," Texaco had curtailed land production, cutting it from 4.9 million barrels to "some 4 million barrels by the end of 1983 and if the decline is not arrested (it) will be down to 2.7 million barrels by 1985... half the production rate at the beginning of this year. Any decline in land production will further reduce the already low level at which the Pointe-a-Pierre refinery is operating."

After this disclosure appeared, the Government announced the cutting of the Supplemental Petroleum Tax on land production from 35 per cent to 15 per cent —Government has not yet touched the tax question concerning offshore production.

No doubt, concrete conclusions have been reached by now between the Government and the offshore producers.

Any diagnosis of the economic ills of the country requires that the Inter-Ministerial team and the oil producers lay bare the taxation problem.

True enough, global oil prices have begun to firm up, perhaps because of reported easing of recessionary pressure abroad, and Mr. R.N. Powers, Amoco President and General Manager, earlier this month, reported that spot prices had at last crept above the official prices posted. In his view that meant prices had bottomed out.

His company's house organ headlined his comprehensive statement, "Future of Petroleum Brighter," but it may be that long-term demand for petroleum as fuel (as the Central Bank hints) may be down for a long time ahead.

## Amoco Refinery Losses

Port-of-Spain EXPRESS in English 30 Aug 83 p 1

[Text] DEBATE over the refining capabilities of the Texaco refinery at Point-a-Pierre continued last night with a statement from AMOCO Trinidad Oil Company, that refinery losses will be increased by up to \$100 million a year of Coast East crude were processed there.

In the punch-counter punch debate between Amoco and Texaco Trinidad relating to the prospects for the future of refinery operations in Trinidad, Amoco said also "the problem was what crudes can economically be run at Pointe-a-Pierre".

Top officials of Texaco Trinidad last week reacted to statements made by Amoco that the Pointe-a-Pierre refinery could not economically process the lighter east coast crudes produced by Amoco.

Textrin president and general manager, G. Lloyd Austin told reporters in Port of Spain that the country stood to benefit from the local processing of the Galeota crude.

"The fact of the matter,

is," Mr Austin said last week, "in the past we have handled many lighter crudes than the Galeota production, and we would have no difficulty whatsoever in processing this crude to yield a slate of products significantly more valuable than that produced from Trinidad land and Trinmar rudes which we currently process".

The Amoco response last night was that the company remained "convinced based on economic studies that if East Coast crude oil is processed at Pointe-a-Pierre, the refinery losses will increase up to \$100 million a year".

The statement said the company, a subsidiary of Standard Oil of Indiana, one of the world's largest oil companies, spent thousands of expert man hours studying the rationalisation of the petroleum refining industry in Trinidad and Tobago.

It said this was part of an exercise to assist the Government. "We dealt with this survey as a matter of urgency and we have submitted our report to the government," it added.

Amoco claimed that it had been able to sell every barrel of oil it produced, at world prices, even when there was a glut on the market and even thought the international petroleum industry had been in a state of depression for the past 18 months.

Amoco produces about 80,000 barrels of crude oil per day, all of which is exported. Texaco said last week that the country would have "two more bites on the cherry" if some of that crude were to be processed and marketed locally.

Mr Austin said the country could not possibly receive more financial benefits from the, "one time pass through" of crude petroleum.

## Amoco Tax Problem

Port-of-Spain EXPRESS in English 30 Aug 83 p 1

[Text]

AMOCO Trinidad Oil Company is now paying \$4.5 million a day in taxes.

This is contained in a statement issued by the company last night as AMOCO sought to throw further light on its image as a "responsible petroleum producer" in the wake of statements surrounding the state of refining operations in the country.

"Even in the current economic state of the industry, our payments to government are more than \$4,500,000 per day. We have paid \$14.7 billion in taxes, royalties and levies for the period 1972 to 1982," the statement added.

AMOCO stated that it was "very much concerned" with the economic stability of the country and that it had invested hundreds of millions of dollars in Trinidad.

The company was continuing to supply the country with "an abundance of natural gas priced on a basis equivalent of \$2.88 to \$878 per barrel of crude oil, it said.

AMOCO added that while it did not want to continue to debate the current situation in the press at a time when the Government was considering "crucial issues on the industry, it felt compelled to provide an outline of "our social and economic commitment" to the country.

## Textrin Taxes

Port-of-Spain TRINIDAD GUARDIAN in English 25 Aug 83 p 1

[Text] TEXACO Trinidad Inc. paid roughly \$500 million in taxes in 1981.

This figure was disclosed at yesterday's Press conference but the figure for 1982 is not available.

Currently, the company is claiming that under the Supplemental Petroleum Tax (before it was revised recently) Texaco paid 140 per cent tax on crude oil production for the first four months this year.

Mr Lloyd Austin, Texaco's president and general manager, revealed yesterday, replying to a question, that the company was losing money on its overall operations.

He also disclosed that the company poured more than a billion dollars into the economy annually, this figure including taxes, salaries, payments for goods and services, national insurance payments and other operating expenses.

Replying to another question, Mr Austin disclosed that 812 employees so far who had reached the age of 60 had retired while a total of 36 employees had been laid off at its Star Farm, the Brighton citrus farm and its school at Pointe-a-Pierre with four teachers being offered alternative employment.

At present, the company's work force stands at over 5,000.

## Amoco Refining Assessment

Port-of-Spain TRINIDAD GUARDIAN in English 30 Aug 83 p 1

[Text]

**TEXACO'S Pointe-a-Pierre refinery can incur losses of an additional \$100 million a year if it processes East Coast crude.**

In making the point, Amoco said last night it was convinced that the refinery losses would go up if Texaco handles the East Coast crude.

Amoco, a wholly-owned subsidiary of Standard Oil of Indiana, was responding to a Texaco statement that it can process 40,000 barrels of crude which it needs to keep the Pointe-a-Pierre refinery viable.

Texaco is operating its refinery at 65,000 barrels daily (bd) and the company needs to push throughput levels to over 100,000 barrels if it is to be economically viable.

Last week Mr. Lloyd Austin general manager of Texaco, said 40,000 bd of East Coast crude could make the big difference and, contrary to Amoco reports, the Pointe-a-Pierre refinery could handle the lighter East Coast crude.

In a statement last night Amoco said: "There have been several reports and editorial comments in the news media during the past week concerning Amoco's role as a responsible and conscientious petroleum producer, and corporate citizen of Trinidad and Tobago. Despite our reluctance to enter into a dispute publicly in the newspapers we feel it is necessary to clarify some of the issues.

"A major cause of concern in the country today is the question of crude oil for the Pointe-a-Pierre refinery. Here the problem is not what crudes can physically be processed in the refinery but rather what crude



oils can be economically run. Amoco remains convinced — based on economic studies — that if East Coast crude oil is processed at Pointe-a-Pierre, the refinery losses will increase by up to \$100 million per year.

"Amoco Trinidad Oil Company is very much concerned about the economic stability of Trinidad and Tobago. We have invested hundreds of millions of dollars here and we have demonstrated this concern by co-operating with government as fully as possible for the development and maintenance of the petroleum industry.

"In order to assist government in rationalising the country's petroleum refining capacity, we have in fact recently spent thousands of expert man hours studying the rationalisation of petroleum refining in Trinidad and Tobago. We dealt with this survey as a matter of urgency and we have submitted our report to the government.

"Even though the international petroleum industry has been in a depressed state for the past 18 months, Amoco Trinidad Oil Company has been able to sell every barrel of oil it has produced at world prices even when there was a glut on the market.

"We are continuing to supply the country with an abundance of natu-

ral gas priced on a basis equivalent of \$2.88 to \$8.78 per barrel of crude oil. This compares with barrel of oil equivalent prices of \$21.60 to \$72.00 for gas sold in the U.S.A.

#### CONCRETE PROPOSALS

"We have not retrenched. We have the same number of rigs drilling for oil or repairing existing wells today as we had this time last year and year before last.

"Although we are seeking tax relief, due to matters beyond our control, we have made concrete proposals to government for the expansion of our operations beyond the present level of activity.

"Even in the current economic state of the industry, our payments to government presently are more than \$4.5m a day. We have paid \$14.7 billion in taxes, royalties and levies for the period 1972 to 1982.

"It is our sincere wish to avoid a prolonged debate about these matters in the Press, particularly at this time when government is considering issues that are crucial to the industry. We feel, however, that it has become absolutely necessary to provide you with this outline of our social and economic commitment to Trinidad and Tobago."

#### Cabinet Study's Recommendations

Port-of-Spain EXPRESS in English 5 Sep 83 p 1

[Article by Andy Johnson]

[Text]

THE Cabinet-appointed inter-ministerial team studying the future of the country's petroleum industry has recommended that the state purchase the total assets of Texaco Trinidad Incorporated; but that option is not likely to be taken, according to reliable information reaching the EXPRESS.

Sources close to the inter-ministerial team and to the Cabinet have informed the EXPRESS that the purchase of all the Texaco assets in the country was the only real option, the Government should consider, but that a lack of conviction among the Cabinet seemed apparent in this regard.

It was pointed out that other Cabinet members seemed more interested only in the state's acquisition of the Texaco refinery at Pointe-a-Pierre, the refining capabilities of which have been a source of much controversy for more than a year now.

This controversy has intensified over the last three weeks with charges and counter-charges by Texaco and the Amoco Trinidad Oil Company about the economic viability of the Pointe-a-Pierre refinery in processing crude oil produced by Amoco off Trinidad's east coast.

The report of the inter-ministerial committee on the refining operations were handed in to the Prime Minister on August 25 and in his Independence Day message, last week Mr Chambers alluded to one of three options which he said were now before Cabinet on this issue.

He said the matter was to be given priority consideration by Cabinet and that one of the three

options was the acquisition of all the operations of Texaco Trinidad Incorporated.

According to the sources, this option is the one most favoured by the inter-ministerial team. During the discussions between the ministerial team and officials of Texaco, which began after the appointment of the team in July, 1982, the EXPRESS was informed that the Government would not permit Texaco to remain in Trinidad if it did not retain some role in the refinery at Pointe-a-Pierre.

The discussions had commenced around the statements by Texaco that it could no longer play the same role it had played in the country's petroleum industry for more than 30 years, and

further that the company could no longer profitably run the refinery.

It had offered to sell the refinery to Government, but later said it would retain a 25 per cent share in the refinery in a partnership with the Government and or other oil companies operating in the country.

The EXPRESS has also been informed, however, that there was no substantial discussion of the refining options at last Thursday's Cabinet meeting.

Commenting on this, one source said that a number of other related matters had to "fall in place" before final decisions were taken, adding that premature speculation in the press on this issue could damage the "national interest."

CSO: 3298/002



## FORMER GRENADA LEADER GAIRY: DOOR TO TRINIDAD NOT CLOSED

## Government's Position

Port-of-Spain TRINIDAD GUARDIAN in English 26 Aug 83 p 1

[Text] THE TRINIDAD and Tobago Government has informed Sir Eric Gairy, former Prime Minister of Grenada, that he would not be permitted to land in Trinidad and Tobago. Sir Eric, who flew into Barbados from New York last week, is reported to have expressed a desire to visit Trinidad before returning to the U.S.

Sir Eric was ousted from the Government of Grenada by a coup led by Maurice Bishop in March 1979. He has been living in the United States.

## Gairy's Counterclaim

Port-of-Spain EXPRESS in English 6 Sep 83 p 1

[Article by Andy Johnson]

[Text]

THE Trinidad and Tobago Government has said it has told deposed Grenada Prime Minister, Sir Eric Gairy, he was not welcome to come to Trinidad but Sir Eric said last night this was not so. In fact, in a telephone interview from the Barbados Holiday Inn, Sir Eric said he had discussions yesterday with "someone connected with Trinidad" about the possibility of him coming here.

High level sources at the Ministry of National Security told the EXPRESS last week that the Government had communicated with the former

Grenada Prime Minister, cautioning him not to come to Trinidad. The sources said there had been communication between the People's Revolutionary Government, led by Prime Minister Maurice Bishop, in Grenada, and the Trinidad Government since Sir Eric arrived on a four-week holiday to Barbados almost three weeks ago.

But sources in St. George's also denied the Grenada Government had had any formal communication with Trinidad about Gairy.

The flamboyant former Grenada Prime Minister who was ousted in a coup by the New Jewel Movement in March, 1979, said last night he did not rule out the possibility of coming to Trinidad, adding he was "working dilligently" on leaving Barbados by Thursday.

He said it was "not true" the Trinidad Government had asked him not to come here. It was also not true, he said, that he had made any prior request to do so until yesterday's conversation with contacts he preferred not to reveal.

## DENIED

Sir Eric also denied reports out of Barbados yesterday that he had been given 24 hours to leave that country. He said, however, that it was clear to him that he was not welcome in that country and he would leave because "nobody with any measure of self-respect would want to remain where he was not welcome."

He said he had been "making lots of calls" yesterday in the effort to leave Barbados. "I rather

suspect," Gairy said last night, "that the Prime Minister (Tom Adams) is sympathetic." But, he said, Mr Adams may have been reacting to pressures to get him out of Barbados.

The Grenada Revolutionary Government has insisted since it took power in that country that Gairy, who fled and has been living in the United States, was wanted for crimes including murder and attempted murder in Grenada.

But when contacted yesterday, sources in the Grenada Ministry of Information said the Government in St. George's had made no formal request for Gairy's extradition from Barbados. Questioned further about whether Grenada had made similar requests to Trinidad, the sources said this was not so, adding that Gairy was "a has-been

politician who has no credibility in the region" and the Government had more important matters to attend to.

He said Governments in the region knew exactly how Grenada felt about Gairy and while the PRG would like to have him back to answer the charges, the Government was "not going to put any government on the spot" with a request for his extradition.

Speaking about this, Gairy said the PRG had "no authority" to ask for his extradition. "Bishop threw out the constitution in Grenada and they are ruling the country by the gun and by their set of people's laws." The Barbados Government is under no obligation to honour any such request from them," he added.

In reviewing the options before him, Gairy said he was not yet certain

where he would go from Barbados, adding that "as a last resort" he could return to the United States. He said he did not foresee any difficulties in returning to the U.S. He said he and the U.S. Government had been "on the same side" in opposition to "the communist rule in Grenada" and that he had been allowed to live freely and humanely in the U.S.

He said he decided to come to the Caribbean for a vacation because he had been away for more than four years. "I should have been back after a year," he said.

Asked whether he would willingly return to Grenada, Gairy said: "Well, the people want me to. I am the elected head of the Government. So there is no doubt that I will when the time comes. I am a man of strong faith and patience."

## ST LUCIA'S COMPTON IN VENEZUELA, MEETS HERRERA

Kingston THE DAILY GLEANER in English 8 Sep 83 p 5

[Text]

CARACAS, Sept 7, (CANA-  
Reuter):

St. Lucia's Prime Minister John Compton has met Venezuelan President Luis Herrera Campins at the beginning of a four-day official visit aimed at strengthening bilateral links.

Earlier yesterday Compton, who arrived in Caracas last night, discussed the Central American conflict with Venezuelan Foreign Minister Alberto Zambrano.

Venezuela is the only Latin American country with a permanent ambassador in Castries and it has established a centre for cooperation in St. Lucia's capital city.

"It is our interest to further develop that relationship," Compton told journalists before joining President Herrera for lunch.

He said his Government was interested in importing manufactured items from Venezuela such as equipment for agriculture and for house building and fertilizers in exchange for agriculture products.

"We have a market for those goods

and we are an agriculture based country. Everything that we can agree would be most interesting," Compton said.

Oil-rich Venezuela imports more than 60 per cent of its foods. Government sources were not available to comment on the possibility of increasing trade relationships with the eastern Caribbean island.

Compton said he had conveyed to Zambrano the support of his Government to the Contadora Group of nations' peace efforts in Central America.

The Contadora Group — named after the Panamanian island where it first met in January — is formed by Venezuela, Colombia, Mexico and Panama.

"We fully support their effort and we expect this backing to be unanimous in the continent," he said.

He said he had also discussed with Zambrano Venezuela's conflict with Guyana over the Essequibo territory as well as the Caribbean Community (CARICOM) relations with Venezuela.

Compton was due to meet political leaders, private sector representatives and Government officials tomorrow before joining a conference on foreign financing started here last Monday.

CSO: 3298/013

## MOST CARIBBEAN STATES SHOW BRIGHTER TOURISM PICTURE

Kingston THE SUNDAY GLEANER in English 18 Sep 83 p 2A

[Article by Irvine Reid]

[Text]

BRIDGETOWN, Barbados, Sept 8, (Cana): Jamaica, whose tourism growth over the last few years had eclipsed that of most of its major competing Caribbean destinations, is finding the tables turned this year.

Jamaica's tourist arrivals for the first seven months of 1983 are down 15.7 per cent, with competing spots like Bahamas, Barbados, Antigua and Bermuda all showing increases up to June or July.

Barbados for instance, which had ended 1982 with a neat 14 per cent decline, was reporting a 5.5 per cent rise in arrivals up to last July, the mid-1983 increase for the Bahamas was 10.3 per cent, Antigua and Barbuda 14.7 per cent and Bermuda 7.6 per cent.

In the seven months between January and July this year, Jamaica welcomed 361,931 visitors, compared with 429,274 in the corresponding period last year.

### One of the best

But despite the fall off it has been a pretty good summer season for the Jamaicans: one of their best, according to Tourism Minister Anthony Abrahams. Jamaica's tourism industry was hard hit by political unrest in the run-up to a 1980 general election and this pushed down stopover arrivals by 8.5 per cent.

But from the following year the situation improved. There was a 1.6 per cent hike in arrivals in 1981 and

last year more than 650,000 persons spent holidays there, breaking a 1979 record of 593,571.

Abrahams reported sharp rises for the 1983 summer months, he said that last May there were 39,372 stopover visitors, which represented a 21.2 per cent increase on the figure for May 1982, and a 34.3 per cent rise on that for May 1981.

Stopover arrivals for June totalled 37,050, which represented an increase of 36.4 per cent on figures for June 1982, and 47.2 per cent on those for June 1981, he said. The provisional figures for July 1983, stand at 48,000, which would represent an increase of 48 per cent on July 1982 and 57.6 per cent on July 1981.

Projections for August, according to Abrahams, are of the order of 47 000 stopover visitors, representing an increase of about 10 per cent on August 1982, and 22.7 per cent on August 1981.

The improved performance of the American economy has been cited in several instances as the key factor contributing to the rise in tourist arrivals in the Caribbean, with most of the additional visitors coming in from the United States.

### Charter rewarding

Jamaica's summer charter performance has been particularly rewarding. A record-breaking 17,437 summer holiday-makers went to the island by charter in July. This figure exceeded by 280 even the highest monthly arrival figure for 1982-83 winter season, as well as the total number of trippers who visited Jamaica over the first three months of last year's summer season.

The government agency responsible is Jamaica Vacation Limited (JAMVAC). Charter arrivals now account for about 21 per cent of total air arrivals.

The July figure is the second highest recorded for charter arrivals - the highest being in February 1979 when 19,279 arrivals were recorded.

Managing Director of JAMVAC, Kent Lacroix, said summer charter performance "is unequalled in the island's history," adding that it was achieved despite Jamaica's not having the use of widebodied airlines, as was the case last year.

### **Barbados did best**

Of 10 regional countries listed by the Barbados-based Caribbean Tourism Research and Development Centre (CTRC), Barbados had the highest increase in visitors arrivals from the United States 66.5 per cent for the period January to June 1983, as compared to the same period last year.

Antigua and Barbuda was second with 37.5 per cent and Jamaica third with 20.9 per cent. The other states listed were Aruba, Bermuda, Bonaire, Cayman Islands, Grenada, St. Lucia and the Turks and Caicos Islands.

CTRC attributes the increases in some countries of U.S. visitor arrivals mainly to the cuts in air fares introduced earlier this year by Pan American, coupled with reduced rates at many hotels. At the same time, the economic situation in the U.S. has improved, the CTRC noted.

The Canadian market continues to show a decline to many countries. Only three of the ten countries showed an increase, Bermuda 15.2 per cent January-June, Bonaire 42.6 per cent January-March, and Turks and Caicos 10.2 per cent January-March.

### **Disappointing**

Canadian arrivals in Aruba declined by 52.7 per cent over the period January to May.

The U.K. and other European markets continued to be very disappointing. The U.S. dollar against the European currencies remains extremely strong, and appears to be strengthening further, making the Caribbean an expensive destination for Europeans.

The overall picture of the main markets is still mixed, CTRC said, but with the rejuvenation of the U.S. market, a positive growth in visitors arrivals could be anticipated.

Cruise ships passengers arrivals for 1983 show a mixed pattern, with most of the larger ports showing an upturn, Cayman Islands is up nearly 8 per cent January to March, Jamaica up a useful 23.5 per cent in January, the Bahamas also registered a substantial increase over the period January to April (total sea arrivals up 30 per cent).

The U.S. Virgin Island the most popular Caribbean port according to CTRC's recent cruise survey showed an increase of three per cent. On the other hand Barbados is down 11 per cent and Antigua down 42 per cent both January to March.

## BRIEFS

ST VINCENT TEAM TO TRINIDAD--KINGSTOWN, Thurs., (CANA): ST. VINCENT has dispatched a two-man team on a mission to Trinidad and Tobago and Barbados in an attempt to regain markets for local agricultural produce. The team, headed by Mr Jethro Greene, acting Chairman of the St Vincent Marketing Corporation will spend about three days in Trinidad and Tobago for talks with the Central Marketing Agency, then move on to Barbados for about two days of discussions with officials of the Barbados Marketing Corporation (BMC). Mr Greene said before leaving that St Vincent and The Grenadines had lost a big slice of the markets for agricultural produce in both Trinidad and Tobago and Barbados, and that his mission hoped to be able to regain that share. Lack of markets for the vast quantity of agricultural crops grown in St Vincent and The Grenadines was the biggest problem facing farmers in the country, he said. The Corporation has set up a five-man agriculture produce subcommittee headed by Mr Greene, to seek new markets and to strengthen those which now exist. The sub-committee is also charged with trying to improve the quality of produce grown for export, to develop closer links with producers, to improve market intelligence and to foster links between the produce section of the Marketing Corporation and the island's agro-lab with a view to reduce waste by processing produce which fell below the export standard. Mr Greene said there was need for a great deal of improvement in the area of agricultural marketing if agriculture was to continue to be St Vincent's main foreign exchange earner. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 26 Aug 83 p 4]

ST KITTS INVITE TO TRINIDADIAN--ORGANISATION for National Reconstruction (ONR) Political Leader, Mr. Karl Hudson-Phillips, will attend the St. Kitts/St. Christopher/Nevis Independence celebrations which start September 16. Mr. Hudson-Phillips received the invitation from the country's Premier, Dr. Kennedy Simmonds. The invitation letter stated in part: "The people of St. Kitts/St. Christopher/Nevis will be deeply honoured if you were to join in the celebrations on this most special and historical occasion." The celebrations end on September 20. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 26 Aug 83 p 25]

CSO: 3298/003

## ATLU ORGAN REITERATES POLICY OF SUPPORT FOR ALP

St Johns THE WORKERS VOICE in English 31 Aug 83 p 8

[Text]

The Workers' Voice Newspaper which is the official organ of the A.T.L.U. has always published letters submitted by persons in the community, whom we believe are genuinely interested in the welfare of our young nation.

But we would like some of our contributors who have not seen their letters published to understand that we are a little more selective in publishing letters critical of the A.L.P. Government.

We would like to remind letter writers that while the Workers Voice is owned by the A.T.L.U., they must also realize that the A.L.P. is the political arm of the A.T.L.U.

While it is not our intention to divert from our policy of constructive criticism of any minister of the Government as a whole the Labour Movement, and that includes both A.L.P. and A.T.L.U., has to face up to General Elections within the next 18 months

or so, and therefore all possible space in our media has to be devoted to highlighting and explaining the party's policy.

We would like to reassure the author of the article 'Disillusioned Youths by Concerned' that his very timely and comprehensive article brought to the attention of those who can do something about it.

We do not agree with certain accusations made in your article, as it is very plain for all to see that at least in the field of sports, the youths of his very timely and comprehensive article has been Complain. The result of the Govt. Sports programme manifests itself in every sort of sport in this community and abroad, Netball, Basketball, Tennis, Football, Cricket etc.

Courts and grounds have been established in every nook and cranny of

the island. As a result youth from all over the country are now participating in one sport or another, and are excelling in many of them. Imagine little Antigua with four representatives on the present West Indies Cricket team, and there is the possibility of having a fifth.

This has only come about because of the keen interest which the Govt. is taking in the youth of this country.

We agree that something has to be done and done now to motivate the Youths once again, so that they can have something to rally around once more.

We can tell you that it is a problem that the ALP is facing and has given much thought to. It is very noticeable that many of the youths who rallied around the A.L.P. in 1976 & 80 are now employed and have lost all interest in attending meetings etc.

Some radical change

has to come about in order to get young people interested in their community affairs once more.

We have received many letters pin-pointing the problems of the Youth, but we are yet to receive any which offers a solution to the problems.

We hope 'Concerned' that you do not mind us taking the substance of your article to the persons to whom it was directed, even without seeking your permission to do so first. Knowing that your intentions and comments are designed to assist we know that you wouldn't mind.

So as from here the policy of the Workers Voice, now that we are heading down the home-stretch, is to support the A.L.P. as much as possible, for we in the A.T.L.U. are convinced that the only political salvation of our country is to continue with an ALP Government.

CSO: 3298/014

## BRIEFS

EXPORT PLAN--Initial acceptance among farmers for the Government's new Export Production Plan is high. According to the Coordinator of the scheme, Mr. I. Ameen of CARDATS, many farmers have registered with the Ministry of Agriculture that they are interested in growing the crops asked for by foreign market. Buyers in the USA, Canada, UK and Anguilla are looking to Antigua to supply them with over 20,000 lbs. of vegetables per week. The possibility of yearly earnings of US\$1,000,000 exists. The plan is being promoted as an opportunity for progressive farmers, with or without irrigation, to get into the international export market. The Government is looking for farmers to grow the bulk of the crops with irrigated government projects such as Bethesda and the Diamond planting the necessary acreage to assure fulfilment of agreements with export markets. More farmers are still needed to become involved in the plan. If interested in growing vegetables for export please contact your Agricultural Extension Officer, CMC or CARDATS. - prepared by IG Neuwirth, PCV Training & Information Unit, AES. [Text] [St Johns THE WORKERS VOICE in English 14 Sep 83 p 6]

SUGAR REVIVAL--ST. JOHN'S Fri., (CANA); ANTIGUA and Barbuda, which produced 205 long tons of sugar this year, two years after reviving the industry, has projected a 1984 production target of 1,000 tons, an official announcement here said. The government-owned Antigua Sugar Industry Corporation said in a statement that it was moving to ensure a sharp increase in output in the next two years. It expects production in 1985 to total 1,600 tons. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 3 Sep 83 p 5]

CSO: 3298/004



## UK FIRM WINS APPROVAL TO SELL SUGAR INDUSTRY SHARES

Belize City THE REPORTER in English 18 Sep 83 p 7

[Text]

AGREEMENT has been reached between Tate and Lyle, the British multinational which owns 97 per-cent of the Belize Sugar Industries, and the Government of Belize to pursue negotiations for the transfer of most of the British company's shares to local investors, according to an official announcement.

Cane farmers of Corozal and Orange Walk were the first to be told of the decision at a meeting of the two divisional committees held last Monday. At this meeting Minister of Trade and Industry Mr. Guadaloupe Pech, told farmers that a team of experts from the United Nations had submitted a report evaluating the Tate and Lyle proposals. This evaluation recommended that Belize go ahead with the negotiations.

A government sub-committee to be headed by Mr. R. Swift, who has recently been named to head the Belize Central Bank, has been appointed to prepare a plan which will set out in detail the Belize proposals for the transfer of the shares.

Tate and Lyle is willing

to sell off up to 85 per-cent of its holdings in BSI while retaining its distribution company, Storage Limited. It is proposing that farmers, with the help of the Belize government, buy the stock over an eight year period, making modest payments to begin with and increasing to bigger payments when world market conditions improve. Under the proposal Tate and Lyle will continue to manage the operations and the international sales for a fee.

At the meeting last Monday the Minister assured cane farmers that the government was seeking the best technical advice in the interest of Belize cane farmers.

Cane farmers who had viewed the Tate & Lyle proposals with suspicion because of an accompanying proposal to accept a voluntary cut in the price of cane deliveries, have indicated that they are willing to co-operate with the government in pursuing negotiations with Tate & Lyle, but insist that they want to be kept informed of developments every step of the way.

## ANNIVERSARY CELEBRATION ELICITS CONTRARY POLITICAL VIEWS

## Picture of Gloom

Belize City THE REPORTER in English 18 Sep 83 p 2

[Editorial]

[Text]

THIS WEEK Belize will observe the second anniversary of her independence

It is not a happy anniversary. The gloomy economic reality is cause for concern, but this is not what depresses and discomforts people. True, it is hard to contend with 30 per-cent inflation, and with unemployment which affects one among every four workers, but these problems are not at the heart of the frustration and gloom which surround us.

Belize has always been poor. Our people are accustomed to living with lean years and hard times. These are not the problem.

The problem has something to do with declining expectations; with a general malaise, the feeling that our present and our future are out of our control and that for economic and social survival we need to make our obeisance and offer our sacrifices to placate the God of Politics.

Belizeans who took pride in pointing out that we achieved our independence without bloodshed and slaughter now reflect uneasily to ponder whether we have mistaken compliance for restraint; cowardice for humility, naivette for optimism.

The specific frustration brought about by our electricity woes has broadened out into a general disillusionment and resentment at the incompetence, cynicism and grossness of our elected representatives, their ill-concealed efforts at self-perpetuation and their growing resentment of any kind of criticism.

More than ever on this second anniversary of independence there is an urgent need for reconciliation and good will. We need to re-commit ourselves to the principles of freedom and democracy, the inevitability of change within a constitutional framework.

Unless our government commit itself to reform, wisely and without regard for personal benefit, this tranquil and peaceful Belize we now know will not survive to see many more anniversaries. Communism the scourge of the Americas, will emerge and grow as it did under Batista and Somoza and is now doing under Marcos in the Philippines. For communism, in its own bizarre way, offers hope to those who have none.

Anniversaries should be a time of reflection and re-dedication. Let us reflect soberly about our present

and our future. And having reflected, let us work urgently to avoid the kind of civil strife which is rapidly enveloping the rest of Central America.

#### Call for Change

Belize City AMANDALA in English 16 Sep 83 p 6

[Column: "From the Publisher." Publisher is Evan X. Hyde]

[Excerpts] The deeper significance of last Saturday's Centenary celebrations, to my mind, was not the huge numbers of marchers and revellers, but rather the mood of all the many onlookers. It was a mood of festivity, of encouragement, of support, and of good will.

Since the Heads of Agreement and the stage managed independence of 1981, I have not felt this mood in my people - the mood of togetherness, of common cause.

I did also sense an undesirable undercurrent of timidity on the sidelines [certainly this was not the case with the revellers and the marchers] but Belizeans would have to be superhuman not to be somewhat cautious after all the intimidation and terror we have been subjected to over the past two years under the name of "independence" and "progress".

Friends told me that a PUP newspaper last weekend quoted from KNOCKING OUR OWN TING [a 1969 booklet by yours truly] in an effort to establish a contradiction with my present position.

Let me say now and definitely that politics has never been my calling. Had this been so, I would have buttoned up my shirt over the last 15 years; I would have gone to church over the last 15 years, and I would have hung with the upper classes over the last 15 years. And I would have been "successful" as a politician.

I say then to you that we have to put another group of politicians in power in the next few months. The PUP has indeed turned tight on us. The party is entrenched, corrupt, egotistic, and arrogant in the extreme.

It is not as if I believe the UD P to be perfect, or a guarantee of any earthly paradise, but because you and I must know we have seen enough of the PUP and their brand of injustice cum state terrorism

Independence and power have corrupted the PUP leaders and they have corrupted them absolutely. This is plain to see.

We the people mean to have a change. AMANDALA means all power to the people. Those who have betrayed and deceived the people and now think themselves as

gods on earth are about to feel the wrath of the people. They will have to be brought under manners. All magalomaniacs must eventually yield to the power of the people.

As it is written, ashes to ashes, dust to dust.

### Blast at Opposition

Belize City BELIZE SUNDAY TIMES in English 11 Sep 83 p 2

[Editorial]

[Text] The more we ponder on how some politicians have created disunity and division among our people over the St. George's Caye Day celebrations, the more we feel convinced that these politicians are doing more harm than good to our country. One would have thought that now that our country is independent Belizeans would be more united than ever. But this is not so. Why?

We were looking forward to a united Tenth and Independence Day celebrations. We were almost fooled into thinking that this was possible when the opposition United Democratic Party agreed to form part of a committee with the Independence Celebrations Committee. But sad to say it was only a ruse. The opposition had meant all along to make politics out of the celebrations.

The UDP's Committee of Forty decided to withdraw from all efforts for a united celebration. They claimed that certain "conditions" had not been met by Government. Eventually Government did everything possible to get them to agree but UDP wanted no part of a united celebration. The truth of the matter is that they want nothing to do with government—they put mean and hard politics above the interests of the Belizean people. The opposition must realize that there are times when the unity of our people will have to be above the politics of their party. St. George's Caye Day is such a time, and so is Independence Day. Is it possible that they have already forgotten how our fathers, the Baymen, valiant and bold drove back the invader....? They were a united people. They fought in unity for us, for Belize, the country that we inherited from them, and that we claim to cherish so much. If they were here today they would be bitterly disappointed in the way we celebrate their victory as a people divided by politics. The opposition claims to be - the only real alternative to the present government, but how can they expect the people to believe them when they are so selfish. The people will not be fooled. The opposition is held responsible for creating disunity and division over the September celebrations.

In wishing all our people a happy Tenth, we quote from our Prime Minister's message for the occasion: "May we have a happy St. George's Caye Day and let us unite to celebrate the second anniversary of our Independence, September 21, 1983."

CSO: 3298/015

## FUTURE POLITICAL IMPACT SEEN IN SYLVESTER-HYDE CASE

Belize City DISWEEK in English 9 Sep 83 p 4

[Article by Stewart Krohn]

[Text]

**T**he case of Louis S. Sylvestre versus the *Amadala* is now history. In what is becoming a familiar ritual, a member of the Belizean press who has overstepped the bounds of legality has been ordered to pay the price — in this case, \$6,500 plus attorney's fees.

Although Cous is now \$6,500 richer (assuming that he will keep the money rather than donate it to charity like the Prime Minister), one would be hard pressed to call it a great victory for the Minister of Energy. His already "unenviable" reputation has not been particularly enhanced by the award; as far as most observers were concerned, it was Sylvestre on trial rather than Hyde. As for the Peoples United Party, it probably fared worse than its chairman. The spectacle of a former Minister and Speaker of the House resurrecting Louie's past misdeeds probably made the Party Leader squirm far in excess of \$6,500. Indeed, if the Opposition had any sense of fair play, it would gladly pay the *Amandala's* debt in exchange for the service it rendered.

As far as Evan Hyde himself, he advises us not to weep for him and we are only too happy to comply. Evan, a great writer forced to work as a journalist, would be the first to admit that he is his own worst enemy. In the matter of his accusations against Mr. Sylvestre, it was a case of 'put up or shut up.' Evan Hyde did neither.

The Sylvester/Hyde case was also not without its longer range political implications. To the serious player in the ongoing game of 'who-will-succeed-George Price-if-George Price-is-in-fact-mortal', the trial was an important, if not decisive event. The so-called Left, gleeful over seeing its public enemy number

one embarrassed by a parade of defense witnesses; almost choked on the size of the award. Conversely, the so-called Right could argue that he who laughs last laughs best. The U.S. Embassy, which started to back away from Sylvestre as a potential Prime Minister almost as soon as he started showing up at cocktail parties in a three-piece suit, has probably now written off Cous entirely. If this is in fact the case, then the nation owes Mr. Hyde a debt of gratitude beyond quantification.

CSO: 3298/015

## BRIEFS

DEFENSE FORCE RACISM--BELIZE CITY, Mon. Sept. 12 Our sources say that a race problem which has reared its ugly head in the Belize Defence Force is becoming seriously aggravated. The Garifuna and Hispanic sections of the BDF are at loggerheads. Garifuna soldiers feel they are being short changed, and that the Latin/Indian soldiers are special favourites at promotion and honours time. Things have reached the stage where members of the Tactical Squad, considered by themselves and others as the elite of the security forces and which is largely Garifuna, have decided to deal roughly with Hispanic soldiers if they step out of line. [Text] [Belize City AMANDALA in English 16 Sep 83 p 5]

ARREST OF GUATEMALANS--Seventeen Guatemalan fishermen were jointly charged \$18,000.00 in a Magistrate's court in Punta Gorda on Tuesday, Sept 6, for illegal entry and fishing without a permit in the southern waters of Belize. The men were arrested on Sept. 1 and 2 near the Ranguana and Snake Cayes. In the process the Belizean authorities confiscated three outboard motors, diving equipment, four twenty feet doreys, and an amount of lobster and conchs. The poachers, believed to be from the Livingston and Puerto Barrios area of Guatemala, are: Ruben Contreras, 20, Gilberto Contreras, 25, Jose Louis Rivera, 33, Roberto Ramirez, 19, Oscar Brown, 14, Oscar Ovidio, 24, Amiro Oydis, 24, Felipe Wellington Washington, Jorge Alberto Daeya, 33, Jose Eaiasi, 16, Hector Efrain, 17, Maximilio Ramirez, 19, Bertran Terraza, 20, Lestelio Vasquez, 19, Ramiro Pineda, 23, Salvador Zaldivar 19, and Alejandro Ortega, 18. This is the second time that the Contreras brothers, Ruben 20, and Gilberto, 25, have been charged with illegal fishing in Belize. Relatives of some of the men have been arriving in Punta Gorda to pay their fines. [Text] [Belize City BELIZE SUNDAY TIMES in English 11 Sep 83 p 1]

TOLEDO PARTY LEADER--Mr. Alejandro Vernon, 44 year old founder of the Toledo Progressive Party, was re-elected Party Leader at a convention held in Punta Gorda Town on August 28 at the Punta Gorda Civic Center. Vernon won the party's top spot with 82 popular votes, six more than his nearest rival, Ana de Avila, who was next in line with 76 votes. [Excerpt] [Belize City THE REPORTER in English 18 Sep 83 p 4]

COROZAL VOTER REGISTRATION--COROZAL TOWN, Sat. Sept. 3 The government, in its desperate drive to win future elections by "popular vote" is doing everything in its power to have aliens registered as voters. On the glass partition at

the post office, on the notice board in the courthouse, everywhere, notices signed by government hand picked Corozal North registration officer Abraham Nicholson make it known that for the aliens to have it easier to register as voters in connection with the upcoming town board elections, the following places have been designated as registration centers: [I] The Courthouse-Corozal Town [II] The Post office - Corozal Town [III] The Lands and Agriculture Office, Corozal Town [IV] The Cane Farmers' Assn. Office, Corozal Town [V] The Town Hall, Corozal Town as well as the established registration office at 8th Avenue in this town. This office has at least three full time paid employees. [Text] [Belize City AMANDALA in English 9 Sep 83 p 3]

CSO: 3298/016



## FOREIGN DEBT TO RISE \$6.3 BILLION OVER JANUARY ESTIMATE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 83 p 46

[Text] The Ministry of Finance expects that Brazil's foreign debt, the biggest in the world, will grow \$6.3 billion this year beyond the estimate that was made in January by economic authorities. At the end of this year, the debt will come to \$91.9 billion and not \$85.6 billion as estimated. In 1984, it will be \$100.8 billion and not \$90.5 billion, as anticipated.

But the growth rate of the country's foreign debt should reach 10.4 percent this year and 9.7 percent in 1984, against a growth rate of 15.8 percent recorded last year, although this would be quite a bit better than the development originally planned, which was supposed to have been 6 percent this year and 5 percent next year. Qualified experts at the Ministry of Finance and the Central Bank believe that these percentages will be revised by December in line with the results of the negotiations which the country is now conducting with the creditor banks.

In the programming worked out at the start of the year, the economic authorities calculated that the total foreign debt at the end of 1982 would come to \$81.3 billion; but the real amount disclosed now is \$83.2 billion, of which \$13 billion are short-term debts. Here is why: To close the balance of payments for last year, Brazil needed \$4.3 billion in short-term loans.

Experts from the Ministry of Finance emphasize that the Brazilian economic program calls for the checking of the country's foreign debt starting in 1985. To that end, the administration pledged to the IMB that it would reduce the total public deficit --federal, state, townships, and its enterprises--to 2.7 percent of the gross domestic product in 1983 and to zero next year. There will thus be less of a need for absorbing foreign savings--and therefore there will be less of an increase in the debt--which is to drop from 5.5 percent of the gross domestic product in 1982 to 2.2 percent in 1983. Consequently an increase in domestic savings is anticipated.

The Ministry of Finance believes that, at any rate, there will be a noticeable reduction in the foreign debt growth rate in 1983 and 1984. This year, the ministry anticipates, there will be a substantial reduction in the unrecorded debt balance--that is, the short-term debt--primarily due to the payment of "stopgap loans" from the commercial banks and special transactions by the BIS

(International Payments Bank) and the United States Treasury. So long as Brazil gets new funds, it will have to pay \$1.2 billion to the commercial banks and \$800 million to the BIS.

#### Club of Paris

As for the negotiations, the Finance Ministry anticipates that, in addition to the refinancing of \$4 billion already firmed up--Project 2--Brazil will have to try to refinance a portion of its debt contracted with foreign governments. Initial negotiations were started in August with the Club of Paris to renegotiate the country's direct debts with government agencies. Finance anticipates the use of the same refinancing scheme--along with the Club of Paris and the foreign banks--also in 1984.

The additional funds for closing out the balance of payments in 1983 has been estimated at \$3.2 billion, considering already the refinancing figures with the Club of Paris. For the year 1984, the requirement for loans to be spelled out comes to a total of \$5.3 billion. This includes values deriving from the program with the IMF and refinancing with international banks and the Club of Paris, under the same conditions established this year; by the end of 1984 Brazil will need additional funds of \$11 billion, as Minister Ernane Galveas confirmed in New York the day before yesterday.

#### Total Foreign Debt

##### Millions of Dollars

Breakdown	1982	1983(3)	1984(3)
Total	83,265	91,913	100,813
1. recorded	70,198(1)	83,457	92,857
2. unrecorded	13,067	8,456	7,956
traditional transactions (2)	9,352	8,456	7,956
special transactions	3,715	-	-
stopgap loans from banks	2,339	-	-
U.S. Treasury	876	-	-
BIS	500	-	-

(1) Includes \$544 million in compensatory loans from the IMF; (2) includes lines of credit of PETROBRAS [Brazilia Petroleum Corporation] and other enterprises as well as obligations of commercial banks; (3) estimate.

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CSO: 3342/3

## FOREIGN INVESTMENT DECLINE REPORTED

U.S. \$440 Million in 1983

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Sep 83 p 22

[Text] Brasilia--Foreign investments in Brazil are likely to total only US\$440 million this year, according to the new Central Bank preliminary estimates. This comes to less than a third of what was initially estimated in the balance of payments, which called for direct investments of US\$1.5 billion during the fiscal year. The prospect is not good for 1984 either, since investment income of US\$500 million is expected, a rather modest figure compared to the 1982 total of US\$1,370,100,000 or the US\$1,794,700,000 in 1981.

The Central Bank reports that there is as yet no estimate of the volume of foreign reinvestments for this year or for 1984, but it is already known that it will not be possible to come close to the total reached in 1982, which was US\$1,559,000,000. This was an exceptional year, more than double the reinvestment figure of US\$741,400,000 in 1981, for example.

Calculations are not complete on foreign investment income to date, according to the Central Bank, but other government sources report that the total value came to about US\$230 million by the end of the first half of the year. These same sources believe that Brazil can be content if the total by the end of the year reaches US\$400 million, because "a shrinkage of foreign capital is occurring." This shrinkage, various government sources say, is due in part to the difficult international economic situation, but above all, it is due to the Brazilian situation, where inflation likely to exceed 160 percent this year, a foreign debt of US\$100 billion and a recession which will last no one knows how long are all discouraging foreign investments.

The complaints of investors about the Brazilian legislation regulating the uses of foreign capital are not responsible for this shrinkage, because in earlier years, the volume of foreign resources was substantial.

## Foreign Investments Dropping

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Sep 83 p 3

[Text] The sharp decline in direct foreign investments in the Brazilian economy during 1983 is yet another adverse effect of the recession being experienced by the developed economies, and it is also a regrettable

consequence of the serious economic and financial situation in the country, which is also involved in a process of recession, the duration of which is entirely uncertain because of the indecision in economic policy. According to the most recent government estimates, foreign risk investments this year will not exceed US\$440 million, as compared to an average of US\$1.5 billion over the past 4 years, when the Brazilian market was still one of the most attractive in the world.

Today, the prospects are not encouraging for foreign investors. Per capita income is declining as a function of the recessive policies adopted to adapt the economy to the new international financial market conditions, which led to a substantial decline in consumer expenditures, government and private investments and expenditures in the public sector.

Despite the fact that everyone has been aware of this reality since 1981, when the current period of lean times began, government estimates for the foreign sector in 1983 were based on a surplus of US\$6 billion in the trade balance and direct investments of US\$1.5 billion. Now it is known at present that the actual influx of resources of this type by the end of the year will come to less than a third of the initial balance of payments estimate. It is further possible to foresee that, given the unfavorable situation on the domestic market and the development of the rate of inflation (which will certainly exceed the 160 percent expected by the government), Brazil will not succeed in obtaining more than US\$500 million in foreign risk capital next year.

Without a doubt, this reduction in the flow of foreign capital is extremely disadvantageous, because it is occurring during a phase of serious decline in income in foreign resources in the form of loans, as a result of the withdrawal of foreign banks which are no longer in a position to continue recycling the dollars of the countries with a surplus, as they have in recent years.

This means that the officials responsible for economic policy cannot rely on this capital to reactivate investments in the Brazilian economy in the coming months, nor on its capacity to generate new jobs.

However, these considerations should not lead to exaggerated pessimism, because they are based exclusively on an analysis of the present situation in the world economy and in Brazil. It is natural to presume that in the medium time range, in one way or another, the Brazilian economy will succeed in overcoming the present adverse situation, by virtue of its substantial domestic market, the undeniable capacity to increase exports of foodstuffs, raw materials and manufactured products, and the relatively advanced state of the process of industrialization.

Thus we are sure that within a short time, the country will again be included in the group of nations with the greatest attraction for risk capital, but for this to occur it is basic that those responsible for the economic policy outline a consistent strategy for recovery, and one capable of providing the conditions needed for a triumph over inflation, a decline in interest rates and the resumption of economic growth.

## DECLINING EXPORT EARNINGS, HIGHER IMPORT COSTS DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 83 p 47

[Text] In an effort to restore its balance of payments, Brazil finds itself forced each year to export larger quantities in order to cope with a doubly unfavorable situation: the decline in prices of products sold abroad and the rise of prices on imported products, which has caused serious cutbacks in purchases.

This year, for example, the surplus of \$4.313 billion in the balance of trade between January and August of this year was attained because of major cutbacks in imports, including a control on all exchange transactions in the Central Bank and a considerable rise in the sales volume of manufactured products.

The consolidated statistics supplied by CACEX [Foreign Trade Department] on the values and volumes exported only go up to the month of July but the agency informed us that 56,504,245 tons of basic products were sold between January and that month, in other words, 7 percent less than during the same period of time in 1982. The value of those exports was \$4,735,112,000, in other words, 7 percent less than in 1982.

The CACEX statistics however tell us that 11,970,708 tons of manufactured products were exported between January and July of this year or 44.9 percent more than the volume during the same period of time in 1982. Sales of manufactured products (finished and semifinished) earned the country \$6,995,985,000, only 4.5 percent more than the figure for the prior year.

The decline in Brazilian products sold abroad has caused a "blood-letting" in the national accounts for quite some time now. In 1978, the volume of manufactured products exported grew 42.48 percent over the 1977 volume but earnings went up only 33.11 percent.

In 1981 there was an increase of 32.26 percent in the tonnage over 1980 but the dollar value grew only by 22.97 percent. In 1982, a critical year for Brazil, the country exported 1.28 percent more manufactured products, compared to the prior year, but earnings dropped 16 percent. Looking at raw materials, in 1981, the volume was 11.7 percent more than in 1980 but the earnings grew only 5.39 percent and in 1982, a drop of 7.5 percent in the volume was paralleled by a decline of 9 percent in the value.

It is argued in administration circles that, in past years, variations in the Brazilian balance of trade were basically due to the fluctuations in prices of commodities on the foreign market and there are still some people who use this argument today. The figures however show that the performance of manufactured products did not help the country much.

Figures from CACEX itself illustrate the situation rather well. When it compares average prices per ton on various products during the periods of January to July 1983 and 1982, CACEX shows that the per-ton price of crude cotton oil dropped 76.76 percent during that time; the price of pig iron went down 17.91 percent, the price of iron and steel in ingots dropped 15.36 percent, crude soybean oil went down 9.01 percent, granulated sugar dropped 23.08 percent, cast iron or steel pipes declined 47.40 percent.

Looking at basic products, there were drops in the average per-ton prices comparing the period of January-July 1983 with the period of January-July 1982. In the case of soybean bran, the decline was 6.80 percent; fresh or dry oranges went down 13.47 percent and manganese mineral declined 23.31 percent.

The government promised the international community, including the Monetary Fund, that it would guarantee a surplus of \$6 billion in this year's balance of trade. The solution was to try to hold imports down to a maximum of \$16 billion against \$19.397 billion in 1982 and to increase exports to \$23 billion.

Holding imports down was possible through restrictions on the release of import guidelines or even the release of dollars, as is happening now. Raising the export value--on a foreign market with low prices--was possible only through a substantial increase in the volume.

#### Losses

The administration knows that Brazil has been losing much in recent years as a result of rises in prices on imports and drops in prices on exported products. According to those statistics, which take the year 1977 as a base year with 100, for the values and quantities, prices on Brazilian exports in 1982 were 95, although the exported quantity was 164. Prices on imported products on the other hand last year were 175, even though the quantity was reduced to 90. The purchasing total includes oil imports which in 1982 dropped to 98 in terms of volume although prices went up to 259.

Here is the central bank's conclusion: The ratios in Brazilian trade in 1982, compared to 1977, indicate a figure of 54 or, in other words, the value of Brazilian exports signifies 54 percent of the value of the imports, even though the exported volume grew while the imported volume shrank. If we exclude petroleum from this ratio, exports would account for 68 percent of the imports.

The real values which Brazil has been losing over the past several years through its foreign trade however cannot be measured completely and are quite a bit higher since the export figures recorded include the dollars obtained. A large portion of Brazilian exports however were handled through subsidies which turned out to constitute an additional cost to the country. And the cost of these subsidies was never revealed by the administration.

## ECONOMISTS FORECAST HIGHER UNEMPLOYMENT, SOCIAL UNREST

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Sep 83 p 25

[Text] "It is impossible to speak of employment policy while the government is practicing an unemployment policy. Unless the foreign-debt stalemate is solved, by obtaining a grace period of at least 3 to 5 years, there is no way to solve the nation's unemployment problem, which is already very serious." These are the assertions of Roberto Macedo, economics professor at Sao Paulo University [USP] and director of the USP Institute of Economic Research Foundation [FIPE]. Macedo expects unemployment to get worse, increasing social tension. The same opinion is expressed by economist Cesar Conconi of the Interunion Department of Statistics and Socioeconomic Studies [DIEESE]. According to him, the "urban explosion caused by migration is an irreversible phenomenon and will reach a point where conflict, looting and crime will be out of control."

The data about unemployment arrived at--or adopted--by the two institutions are quite divergent due to different definitions of unemployment: the DIEESE survey considers as unemployed all those who have ever worked but are not working now, whether or not looking for another job, while the IBGE (Brazilian Institute of Geography and Statistics) survey, adopted by FIPE, includes only those who were looking for work at the time of the survey.

The result of these divergent concepts is quite different rates of unemployment: according to DIEESE, about 14 percent of the Greater Sao Paulo work force--about 936,000 people--were out of work between September and December last year, while IBGE showed a variation between 5.57 percent and 3.61 percent in the same period, or 196,000 to 306,000 unemployed.

Adding in the rates of underemployment, the percentage is even greater (32.5 percent according to DIEESE and about 16 percent according to the IBGE, of a work force of 6.5 million or 5.5 million, respectively), and varies between 1.8 million and 800,000 persons--according to the two institutions.

Despite the discrepancies in their indices, Macedo and Conconi concur in asserting that "if the economic policy adopted by the government, giving priority to the foreign debt, is followed, the situation will get worse." They also agree in asserting that only the end of the recession can reverse the direction of unemployment, as investment is needed to create new jobs. Both, however, were doubtful about the reversal, citing for example the study made by the Sao Paulo State

Federation of Industries, according to which the level of employment this year is the same as for 1973 and to make up for lost time a growth rate of 3.5 percent over a period of 9 years would be needed. In view of this problem and as the industrial sector is responsible for employing one-third of the Greater Sao Paulo work force, Roberto Macedo asserts categorically that the 1980 decade is jeopardized: "We will spend the second half of the decade making up for the mistakes of the first half."

Citing the latest IBGE figures about the Sao Paulo metropolitan region's unemployment (7.30 percent, or nearly 400,000 unemployed), Roberto Macedo goes further in asserting that "although the economy may be able to withstand another year of recession, the same cannot be said about the social or political side." And to try to reduce part of this pressure caused by unemployment, one of Cesar Conconi's proposals is the long-standing demand of the labor movement to reduce the workweek from 48 to 40 hours, a solution adopted by several European countries, without salary reduction, in order to maintain the domestic market.

Among the government's latest measures, the two economists also criticize the salary reduction adopted under the argument that it will help restrain the decline in employment. It is Roberto Macedo's contention that "such a measure is intended only to meet the requirements of the International Monetary Fund, although at the expense of the workers."

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CSO: 3342/189



## PASTORE VIEWS ECONOMIC PROBLEMS, WAGE LAW, INFLATION

Rio de Janeiro MANCHETE in Portuguese 17 Sep 83 pp 12-14

[Report on interview with Afonso Celso Pastore, now president of the Central Bank of Brazil, then economics professor at Sao Paulo University [USP], by Salomao Schvartzman and Celso Arnaldo Araujo in Sao Paulo "1 and 1/2 months ago": "Brazil Will Not Collapse"]

[Text] Appointed president of the Central Bank to replace Prof Carlos Langoni, Prof Afonso Celso Pastore refused to be interviewed by the press before taking office in Brasilia.

He argued that it was necessary to "cool things off" and took refuge in his apartment in Morada de Sant'Anna in the Jardins region near Avenida Paulista.

He received few visits, among which was that of his college classmate Miguel Colasuonno, also best man at his marriage to Dona Maria Cristina 22 years ago. According to the president of EMBRATUR [Brazilian Tourism Company], who is also president of the Sao Paulo Economists Organization, Pastore spent the weekend deciding upon a short-term plan of action to restore the credibility of the Central Bank. "In the intermediate term he will give the Central Bank a prominent position in coordination of Brazilian economic policy."

What are Pastore's ideas?

In an interview 1 and 1/2 months ago by Salomao Schvartzman and Celso Arnaldo Araujo of the MANCHETE Sao Paulo bureau, Pastore revealed some of these ideas:

[Answer] No economics professional today has any magic ideas for Brazil to resume its development. There are many disagreements among economists. But we must observe what is happening and then adapt things all the time to avoid the effects of errors committed. It was a serious error to maintain for years on end a policy of highly expansionary public expenditure. Even after the petroleum crisis we thought we were an island of prosperity. But that island could not be sustained indefinitely by money from the international financial system. Brazil

borrowed money abroad without making its adjustments at home. And now it is being forced to make them although it no longer has the foreign money.

[Question] Are you an optimist?

[Answer] The only thing we can be sure of is that Brazil will not collapse, although many people are betting on that happening. When this crisis becomes history, it will be very pleasant to talk about it.

Wage Policy, Foreign Dept, IMF

[Question] What are the major problems of the Brazilian economy?

[Answer] The first is the lack of liquidity in foreign accounts. First we must make the domestic adjustments and an orderly renegotiation of foreign debts to take the place of the petty negotiations repeated annually. The second problem is the gigantism of the public sector, with growth of the state enterprises through subsidies and official intervention in the economic area. The third problem is that of inflation, which must be confronted to pull the nation out of stagflation and put it back on the road of development.

[Question] Speaking of the public sector's gigantism, don't you think the successive economic "packages" have the objective of reducing the nationalization of the economy?

[Answer] They do seem to be trying to reverse the process. The packages have a very important fiscal component, which is the restriction of subsidies and public expenditures. In regard to interest rates, for example, it is intended to reduce them in order to give the private sector a little more leeway and more savings. In regard to wages, they are trying to establish a real wage compatible with the current austerity and to reduce unemployment. In relation to the foreign debt, a renegotiation is being sought so that we have enough cash flow to settle our international transactions. Domestically, the intention is to gradually remove the government from the economic scene and give the private sector a chance to generate savings and finance investment.

Asked whether the surgery adopted by the government will remove Brazil from the UTI [intensive care unit?], Prof Afonso Pastore responded:

[Answer] We can at least unplug the artificial breathing apparatus because the patient is now able to breathe with its own lungs. But the patient will remain in intensive care as long as we do not cure the basic structural defects of its economic maladjustment. We shall have to spend some time taking serum, oxygen and intravenous feeding. But I believe the imminent risk of collapse is overcome.

Prof Pastore then spoke about the relationship of wage policy to the foreign debt and the IMF, stressing that there is an indirect relationship:

[Answer] Since 1979, wages have been set a posteriori, or in accordance with the INPC [National Consumer Price Index] of the previous 6 months. When there is a

"corrective" inflation, such as the readjustment of prices for wheat and petroleum, this goes immediately into the INPC, which in turn adjusts wages, having an influence on production costs and consequently on prices of some articles which are components of the INPC. In a situation where an austere economic policy is needed, to reduce aggregate spending and balance foreign payments, increased costs and wages, in the presence of limited demand, tend to generate a very high rate of unemployment. At this point, without a certain degree of wage flexibility--which is what will happen with Decree No. 2045--unemployment would be much higher. Society must make a choice: either put more people out of work, with those who remain employed making a higher wage, or put less people out of work and everyone making a lower real wage. It appears that the government, through this decree-law, chose the second alternative. This tends to minimize the social cost of the adjustments of Brazil's economy.

[Question] What is the advantage of these more flexible wages?

[Answer] To the extent that business firms must maintain constant real wages, when sales fall there is no way to reduce costs other than by dismissing employees. When there are more flexible wages, costs can be adjusted without unemployment, which implies a higher level of production.

Inflation to Begin Falling in September

[Question] At present, does the ideal solution continue to be that of automatic wage adjustments?

[Answer] In the last 15 years, no solution tried was ideal. The government was always dictating policy. Our labor market was never relatively free. The influence of government intervention was always very great. When there was economic growth, this was not very important because wages ultimately were adjusted far above the levels of the formula dictated by the government. But when we began having a depression, in 1976, we began to face difficulties: due to the rigidity of the real wage, the level of unemployment increased. But someday Brazilian society as a whole will be aware of the cost and benefit of each form of wage adjustment--and eventually will choose the system of free negotiation between employers and labor unions, which is better than what we have now.

[Question] Won't the salary squeeze produced by the last package diminish even more the quality of life for the average Brazilian, which was already at a critical level?

[Answer] The well-being of the average Brazilian has been diminishing for 2 or 3 years, since the moment when the economy was unable to generate enough jobs to absorb the new workers arriving every day on the labor market. In the next 18 months or 2 years we must continue to live with a complex foreign problem. But this situation is beginning to improve. There are, for instance, signs of recovery in the U.S. economy. Current prices for some commodities--coffee, cocoa, sugar--suggest that prices of some of the most important products we export are recovering. I have no doubt that we will export more manufactured goods. And this will help the country to get out of trouble. But there will be 2 years of sacrifice by all.

[Question] Will inflation be lower?

[Answer] Yes, it will. I'm not betting on July and August, which will still suffer the effects of the previous month's corrective inflation. But after September, I have no doubts.

Pastore: Monetarist Technocrat Who Is Also Liberal

Considered by his colleagues to be one of the most brilliant economists of the post-1964 generation (he graduated from USP in 1961), Afonso Celso Pastore has belonged to the "Delfinist" group for almost 20 years.

An economics student of Delfim's at USP, he became part of the current planning minister's team in 1966, when Delfim became finance secretary of Sao Paulo State, to straighten out the state's finances after the cassation of Ademar de Barros.

When Delfim was chosen as finance minister in the Costa e Silva government the following year, Pastore accompanied him--first as the ministry's economic adviser and later as director of the Institute for Social and Economic Research. With the change in the federal administration, Pastore returned to his academic activities, becoming coordinator of the USP Institute of Economic Research. To become associate professor ["livre-docente" in Portuguese] at the university in 1975, he had to face an examining board comprising, among other professors, Delfim Netto and Mario Henrique Simonsen. His last administrative post was as Gov Paulo Maluf's financial secretary. When the governor resigned to run for the federal Chamber of Deputies, Pastore returned to teaching econometrics at the USP School of Economics, where he taught classes until Friday morning, upon being appointed to succeed Carlos Langoni as president of the Central Bank.

Pastore, 44, is married to Dona Maria Cristina and has three children. Besides being a USP professor, he is a high-level economic adviser to several Brazilian business firms.

Considered to be a technocrat, he gives interviews only on economics. He is an orthodox monetarist, but does not believe in recession as a remedy for the nation's ills. A liberal, he disagrees with the idea of shock treatment for the economy. He has good access to international lenders. Besides having directed the Central Foundation for Foreign-Trade Studies (FUNCEX), at Delfim's invitation he has had experience as an international negotiator, having participated--while still Sao Paulo finance secretary--in an IMF meeting in 1981.

About Brazil's foreign debt, he has clear ideas: he opposes a moratorium and favors renegotiation. Now--unlike Langoni--Pastore will no longer have much time to play tennis, which he likes to do at the Pinheiros Sport Club.

## POLL SHOWS PT TO BE THIRD LARGEST PARTY IN COUNTRY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Sep 83 p 6

[Text] The PT [Workers Party] has become the third largest party in the country as of the end of August, following the announcement of the political program of that group over a national radio and television chain. The Workers Party increased from 5 percent (in January) to 10 percent (in August) in national preference, according to a poll taken by the Gallup Public Opinion Institute in 189 cities in 20 states. The PMDB [Brazilian Democratic Movement Party], although it saw a drop in the number of its supporters (from 38 to 36 percent), headed the national voter preference list. The PDS [Social Democratic Party] has dropped from 33 to 25 percent.

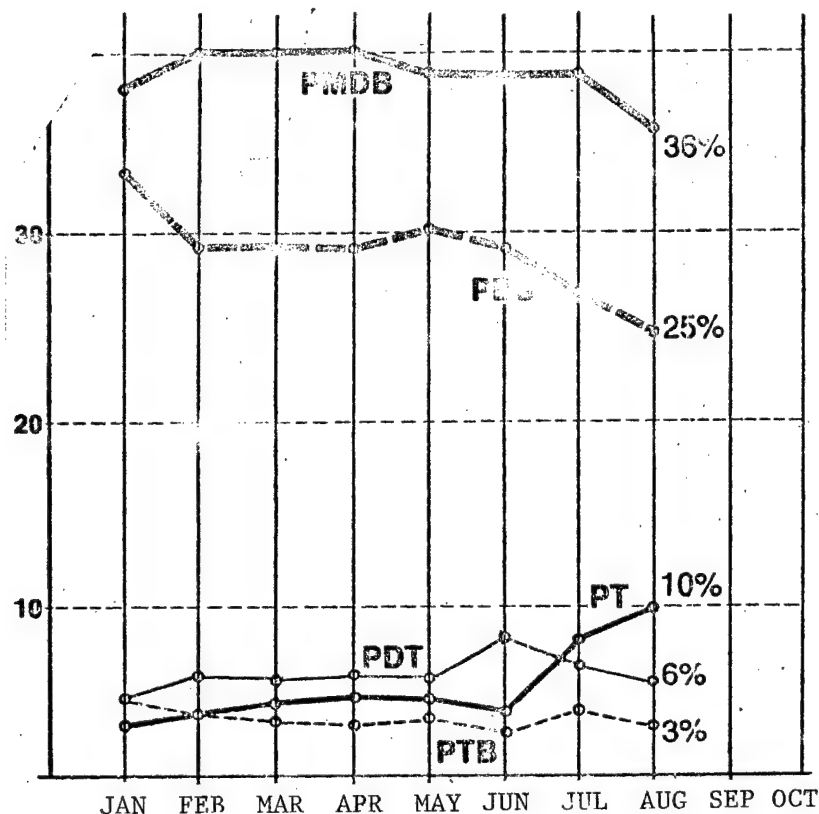
Again on the basis of the Gallup poll figures, the PTB [Brazilian Labor Party] maintained the same level (3 percent) in August it had in January in voter preference. But the PDT [Democratic Labor Party], although it saw an increase from 5 to 6 percent in Brazilian popular support, surrendered third place to the PT. Of the 2,536 persons interviewed in the poll, 20 percent indicated no choice among the five existing parties.

The Gallup poll shows that, among Brazilian citizens under 30, the PT is the third-ranking party, with 16 percent of the preferences throughout the country. But among individuals over 50, it placed last, showing that the supporters of the PT are predominantly young people.

It was in the youngest population group--between 18 and 29 years of age--that the PT made its greatest gain in August of this year. In this sector, the PT was preferred by 7 percent up until July, with an increase to 16 percent by the end of August. Conversely, the PDS and the PMDB showed a decline in August in precisely this same younger age group. The PDS dropped from 30 percent to 24 percent and the PMDB from 45 percent to 38 percent.

Another interesting fact revealed by the poll is that the PT almost ranks second in the Brazilian capital cities, being the preference of 14 percent of the voters, while the figures for the PDS and the PMDB were 17 percent and 36 percent, respectively.

The Gallup poll showed that the socioeconomic class factor "is not very important in the differentiation of the current party preferences of the Brazilian public."



The survey by the Gallup Public Opinion Institute bore out the trend seen in the electorate in November of last year, when the PDS was revealed as the most popular party in the Northeast. In August, the government party was the preference of 41 percent of the population of the Northeast, with figures of 31 percent for the PMDB, 7 percent for the PT, and 1 percent for the PDT and the PTB.

The study noted "a strong correlation between the number of inhabitants in a city and the preference for the PDS, since this party has a strong majority in the smaller cities, increasing as a percentage with the reduction in size of the cities polled." For example, the PDS is the preference of 22 percent of the population in the cities with more than 50,000 inhabitants, 26 percent of those in the cities with a population of between 10,000 and 50,000, and 39 percent in the cities with 5,000 to 10,000 inhabitants. In this last sector, the PMDB is the preference of 33 percent.

In absolute figures, the Gallup poll showed that the Workers Party doubled its number of supporters throughout the country, from 2.5 to 5 million.

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## PMDB HEAD SCORES INDIRECT ELECTIONS, CORRUPTION, WAGE POLICY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 83 p 4

[Text] When Gen Joao Figueiredo was nominated candidate for the presidency of the republic, he swore to transform Brazil into a democracy and to catch and break anybody who would work against that objective. With only a little more than a year left until the end of the presidential term of office, Deputy Ulysses Guimaraes, PMDB [Brazilian Democratic Movement Party] chairman, in an exclusive interview given to O ESTADO, asked the president to keep his oath in the following words:

"The oath was very serious and is about to be carried out. One cannot speak of democracy while the people continue to be disadvantaged. Figueiredo does not have to arrest the entire electoral college but he should immediately break it; he should do away with the farce of indirect presidential elections and, reinstituting direct voting, he should return to the people the right to pick those who are to govern them. He should exchange 686 privileged electors for 55 million, at least, if more thousands or millions of young people do not sign up for voter registration by 1985 in the one and only big electoral college accepted by democracy which he wanted to build someday."

Regarding the presidential oath, the PMDB chairman also said that it is necessary for Figueiredo not only to bust but also arrest all those who were proven to have been implicated in acts of corruption throughout the land. He should accept as true the denunciations published in the press and debated in Congress, a real scandal that is impossible to hide.

"Let us be fair," said Ulysses. "Many things that have become public knowledge could not possibly have been known to Figueiredo in the past. But now they are. There is no ignoring them; instead, they have to be ascertained with the necessary severity and those involved must then be punished so as to set an example. Arresting and busting the corrupt individuals and the beneficiaries of corruption then, apart from all that, means saying farewell to the democracy he imagined he would be establishing. Corruption is the daughter of dictatorships and of authoritarian governments; definite proof that we have emerged from the regime which, for almost 20 years, suffocated us, would be obtained through effective action against all deleterious practices reported by the newspapers and by Congress, if proven. You can have corruption in democracies but if it is debated, dissected, and criticized, then the least we can

hope for is that it will be corrected and punished. Here is an unequalled opportunity for the president to demonstrate whether or not we are moving toward the regime he promised."

In the interview granted to the Brasilia branch office, Ulysses Guimaraes began by outlining a series of paradoxes which, as far as he is concerned, can no longer exist in the nation's reality. We are the world's fourth-largest country in terms of geography, with the size of our territory being out of the ordinary and with a climate that enables us to have three or four harvests per year. "But," he emphasized, "we are importing food, even the most staple items, such as rice, beans, and corn. Our cultivable land area is larger than that of countries bigger than we are but most Brazilian citizens do not have access to the land; our land problem is also one of the biggest of the world. Our agricultural vocation is obvious but we live with hunger."

"In addition to that," he pointed out, "we have a population of 120 million, active, young, inventive, and trained for work. But we have 12 million unemployed and we do not know how many people work part-time. The country's natural wealth astonishes the outside world but we have one of the lowest known minimum wages in the world, that is, \$50 per month."

The PMDB chairman added that "Our rivers constitute the biggest drainage basins of the planet, cutting our national territory up in various directions. But we have the worst river shipping, having instead decided on an inconsistent system of highway construction while our railroad transportation system is not good enough either--and so we have to import fuel. On top of that, although we do have petroleum, it is underground and it cannot be taken out in quantities that are in line with our necessities. We also have a varied range of customs, with a different nature, but we have a centralized government; everything comes from Brasilia or, better yet, from the executive branch, in other words, from Planalto Palace; that means that it comes from the office of a single person--the president of the republic. Nothing works without him and if he hesitates, everything is interrupted. The federation was destroyed, especially after 1964, when those in power failed to realize that the people do not live in the Union, nor in the states, but in the townships and that the townships, which generate 100 percent of all taxes, got only 5 percent of the benefits. The result is a pyramid of opposites, where the base, that should provide solidity, is up in the air, with 120 million persons, and where the top is buried in the ground--in this case, the office of the president of the republic."

There is one paradox among many which, for Ulysses Guimaraes expresses the confusion and the impossibility of having the country continue the way it is: "We have given preference to a policy of exports in an effort to earn foreign exchange to pay an immeasurable and unfair foreign debt. The food supply has gone down and we have been having misery and hunger because, instead of exporting the surplus, consuming only that which is necessary, we export that which is necessary and we consume the surplus, when it does exist."

"This is just plain stupid--there is no other word to describe it. This is pure cretinism since the domestic market has always been the steady support of



all nations. We have one of the biggest domestic markets of the world and we do not utilize it properly. On the contrary, we massacre and violate it every day."

The member of parliament from Sao Paulo said that there is one main reason for all of this: "The mistake is not made by Brazil, nor by its people. It is made by its elites, by its politicians. This is because we have no policy, at least not the way we should hope we might have it. We have no statesmen. They have been the exception, such as Juscelino Kubitschek. From 1964 until today, especially, policy has been made behind the back of the people and against Brazil. All of this without any awareness of the national interest and without any popular participation. The consequences could not be otherwise."

"Take economic-financial policy. Delfim Netto established neo-Salazarism. Before the April revolution in Portugal, the escudo was worth more than the dollar and the coffers were full of gold. But it was the only country in the world that exported people. Its population shrank and monetary stability, affluence, and balanced accounts did not help but rather harmed the Portuguese people. Here we have the same thing. Decree-Law No 2045 rammed down the nation's throat, demands that all salaried personnel work two months per year free for the government. This is highway robbery, usurpation. Slave labor is outlawed by international convention but it is imposed upon all of us."

Ulysses Guimaraes does not disbelieve the possibility of a countermovement. He thinks that the country could transform itself into a democracy and the recent statement from Congress is a good sign. On Wednesday, the parties gave a significant example when even the PDS [Social Democratic Party] collaborated with the united opposition groups in turning down Decree-Law No 2024. Decree-Law 2045, which reduced wages by 2 percent of the cost of living, will inevitably also be rejected. A strong legislature or a legislative body growing in strength will serve the democratic ideal, helping to do away with the local monarchy which characterizes the regime now in power. The presence of the MDB [Brazilian Democratic Movement], initially, and now the PDMB, helped much toward the creation of the national awareness and he did not fail to note that his running for the nomination for president of the republic in 1973 helped do away with national fear and stimulated the population to oppose and fight against arbitrary action. Whether or not he might once again challenge the head of the administration, this time as a real candidate, is an assumption for much later but he does not rule it out. "The repeal of AI-5 [Institutional Act No 5], amnesty, and direct elections were popular gains deriving from clamor and exhaustion, they were never the blessings or gifts from the powerful, as has been said. It is thus necessary to continue along the same line: To make sure that there will be direct presidential elections and, then, to work for the convening of a National Constituent Assembly. One must do away with the sacristans of the black mass of submission of everything and everybody to the executive branch, one must combine the social segments in revolt, from the business community which rejects the economic-financial policy, to the people who are suffering and to the electorate who still cannot change the situation. Brazil has become a universal shout of protest where everybody keeps screaming for change. Would this be so if President Joao Figueiredo had made good on his promises?" he asked.

## POLL SHOWING ONLY 17 PERCENT SATISFACTION WITH MONTORO REFUTED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Sep 83 p 2

[Passages enclosed in slantlines printed in boldface]

[Text] The State Information and Communications Secretariat and LPM Burke Marketing Research and Surveys, in notes distributed to the press yesterday, refuted the analysis published Wednesday by O ESTADO DE SAO PAULO of the survey about the level of satisfaction of the residents of the city of Sao Paulo with Gov Franco Montoro's administration. "The percentage of the population of Sao Paulo satisfied with Governor Montoro is 61.8 percent and not 17 percent," the Information Secretariat stressed in its note, while LPM Burke asserts that "it was with some surprise that we noticed the article 'Survey Reveals Only 17% Satisfied With Montoro,'" noting, however, that "the headline could be read incorrectly in regard to the survey's conclusions."

According to the secretariat, "the figure mentioned in the headline--17 percent--refers to 'persons /totally satisfied/ with Governor Montoro's performance,' in keeping with a scale of attitudes proposed to the respondents during the poll comprising the ratings 'totally satisfied,' 'partly satisfied' and 'dissatisfied,' besides the possibility that the respondent did not know or did not wish to express an opinion. Forty-four percent of the Sao Paulo population is satisfied, although only partially. Hence, technically, 61.8 percent of the respondents are satisfied with the governor's performance," concludes the note from the Information Secretariat, signed by cabinet chief Mauro Motoryn.

"This figure is consistent with other indicators of the same survey," the official note continues, "such as the portion of persons favorable to the governor: 59.4 percent; or intending to vote for the governor if the election were held today: the PMDB [Brazilian Democratic Movement Party] would get more votes than all the other parties combined, with 39.5 percent of the votes against 25.4 percent for all the other parties.

LPM Burke now believes that "in part, this possible distortion is attributable to the way in which we formatted the presentation of the results in our weekly report, without any explanation that would facilitate its interpretation by outsiders not familiar with the way in which the study was planned." Also explaining the three items on the scale of answers that could have been given by the respondents, the

LPM Burke note likewise remarks that "17.7 percent are '/totally/ satisfied,' while 44.1 percent are 'partially satisfied' with the Montoro administration--which are two ways of measuring the degree of 'satisfaction.'"

It goes on to stress that "the purpose of this question, moreover, was not so much simply to measure 'satisfaction' as to get a reading on variations of 'dissatisfaction' with the state administration--which in this case is 28 percent.

"This result, moreover, does not refer to /Governor/ Montoro, but to the Montoro /administration/," it adds, revealing that "the other ratings of the report, according to the LPM system of political evaluation, do refer to the governor." According to the note, signed by the LPM general manager, Pergentino Mendes de Almeida, these ratings are: "supporters of Montoro: 36 percent; sympathetic to Montoro: 59 percent; against Montoro: 11 percent."

/Editor's Note/: Neither of the two notes denies the truth of the interpretation that only 17 percent of the respondents are satisfied with the Montoro administration. The interpretation that "partially satisfied" according to the scale established by LPM Burke should be included among the "satisfied" is not well founded, for the very reason that there is no point in setting up a certain scale, later to eliminate it depending upon whether or not the results were favorable. Moreover, the polling firm itself admits that "this /possible/ distortion is attributable to the way in which we formatted the presentation of the results in our weekly report, without any explanation to facilitate interpretation by outsiders who are not familiar with the way in which the study was planned." (Our boldface.)

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## BRIZOLA ON 1984 DISSOLUTION OF PDT, ESTABLISHMENT OF PS

Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Sep 83 p 2

[Text] "We are going to turn our backs on everything that is obsolete and create something new, something feasible and something unprecedented in our political history."

With these words Gov Leonel Brizola explained the decision taken by the PDT [Democratic Labor Party] National Directorate at a meeting Saturday evening to dissolve the PDT next year and create the Socialist Party (PS), or any other name that is more closely identified with the commitment to democratic socialism in Brazil.

## Socialist Timetable

For this purpose, a National Congress of Democratic Socialism will be held 23 through 25 March 1984, assembling in Rio not only PDT members, but all political forces attracted to the proposal. At this meeting a new name will be chosen and committees will be appointed to prepare the new party's manifesto, charter and program.

"This congress will mark the precise instant of the labor movement's viability as a transitional party to socialism, based upon freedom and democracy," Brizola told the PDT leaders.

Doutel de Andrade, national president of the PDT, announced that the date of the congress was chosen in a strategic manner because by then congressional members of the PMDB [Brazilian Democratic Movement Party], PTB [Brazilian Labor Party] and PDS [Social Democratic Party] will be free, according to current election laws, to participate in forming another party. According to the legislation, a congressman may help form a new party only after he has already been in one that has existed for at least 4 years. The PTB will complete this period on 24 December; the PMDB, on 30 January 1984; the PDS, on 19 March 1984; the PDT, on 6 June 1984; and the PT [Workers Party], in September 1984.

However, the PDT will not be dissolved until 28 October 1984, when it will have a national party convention to decide about this and adopt the resolutions of the National Congress of Democratic Socialism.

But the PDT timetable provides for other activities: from 9 to 11 December 1983 there will be a Socialist Meeting which will be preparatory to the congress; on

12 August and 30 September 1984 the party will hold its municipal and state elections, respectively, to assure its legal survival, as explained by Jose Carlos Mendes, member of the PDT National Executive Committee from Parana.

#### New Initials

During Saturday's meeting various initials were discussed to replace "PDT," but nothing was decided, mainly because the party wants to hear from other political groups who support democratic socialism in order to arrive at a decision.

Senator Saturnino Braga, one of the most ardent supporters of inserting the word Socialist in the name, suggested PDTS (Socialist Democratic Labor Party). Former deputy Alceu Collares chose PTS (Party of Socialist Labor). Deputy Sebastiao Nery agrees with Alceu's initials, but wants them to stand for "Socialist Labor Party." Doutel de Andrade, however, reports that there could also be chances for PST (Labor Socialist Party), PS-PTB (Socialist Party of the Working People of Brazil) and PS (Socialist Party), which Brizola suggested at the meeting.

Whatever the initials, it has been decided that the new party will not oppose the entrance of anyone, nor will it discriminate. Brizola even cited the cases of former president Janio Quadros and former deputy Ademar de Barros Filho, who would be welcome. According to a national PDT leader, Brizola will try to attract one of the two to the new party convention, as he needs a strong electoral base in Sao Paulo to serve his intentions of becoming president of the republic.

The National Directorate of the PDT also resolved to approve a motion by Deputy Sebastiao Nery recommending to the regional directorate, which meets today, that it initiate efforts to expel State Deputy Alcides Fonseca. Nery--who became the party's state president due to the resignation of Adao Pereira Nunes for reasons of health--announced that he will pursue the effort to expel Alcides, as well as the Nova Iguacu president, Father Anibal Mendes.

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CSO: 3342/189

## EMFA HEAD SAYS WAR MATERIEL MAY HEAD EXPORT LIST SHORTLY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 83 p 7

[Text] EMFA (Minister-Chief of Staff of the Armed Forces) Brigadier Waldir Vasconcelos admitted that the Brazilian military industry might head the list of the country's exports during the next several years. The EMFA chief's estimate is the first to come from a military authority on the growth of the materiel industry of the Armed Forces and was made during an exclusive interview given to this publication in the Air Force Club in Rio.

"The Brazilian military industry is winning more and more customers among the less developed countries which cannot produce those military equipment items which involve a certain degree of sophistication," the minister added. It has already in practice attained third place on that list with the sale of various military equipment items to foreign countries.

Waldir Vacondelos said that the military industry can reach first place in the country's exports "and, if that happens, this is even better because Brazil must sell and export everything it can."

"EMBRAER [Brazilian Aeronautical Company], like ENGESA [Specialized Engineers, Inc.], and AVIBRAS [Brazilian Aviation], just to mention them alone, and not to minimize the significant role played by the other enterprises in that sector, since all of them are working hard, are doing research and are adding other weapon systems to their production line and that only improves the prospects for the export of army, navy, and air force equipment," the brigadier observed.

The EMFA chief said that Brazil right now is able to compete with other countries in weapons exports, including even items with a certain degree of sophistication, although not to the same extent as those items produced by the big powers.

He emphasized that Brazil "is in a position to challenge others on the international armament market involving items that are less sophisticated and its industrial capacity is bound to grow during the next several years.

"Of course, the problem of allocations for the armed forces is a matter of concern because we would like to get much more than we have. But we understand,

as does Brazilian society as a whole, that the country is going through a difficult time and that one must not make exaggerated demands because the country's economic-financial situation does not permit this," the minister continued.

The brigadier stressed that the armed forces however are aware of one specific fact: "The country's war industry is highly developed and produces highly sophisticated equipment. This equipment which is already being produced by the country's industry will also be available to the Brazilian Armed Forces the moment the various services need it and with a guaranteed flow of supplies, at a price in cruzeiros, not in dollars."

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## CHAVES DEEMED PREFERRED SUCCESSION CHOICE OF MILITARY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 83 p 5

[Text] Among the three main candidates for the office of president of the republic, Vice President Aureliano Chaves seems to be the man who continues to have the strongest support among the military, according to those who were heard during the last 2 weeks about the matter of succession, although this is not a priority matter among them right now; but it does constitute a crisis.

He is considered reliable for three reasons: Because of his loyalty to President Figueiredo, which he maintained during the entire period he held his interim post; he has the support of some opposition sectors and he even has the sympathy of the governor of Minas (who belongs to the PMDB [Brazilian Democratic Movement Party]), that is, Tancredo Neves; and in a broad vote he could have the advantage over the other candidates.

A leading military advisor stressed the support which Aureliano Chaves got from the military ministers during his recent interim post and he especially mentioned that statement made by Navy Minister Adm Maximiano de Fonseca, to the effect that the vice president "is a loyal man who has credibility."

The same source emphasized that the vice president was able to win the dispute over who would get the nod from Planalto Palace for the office of president of the republic in a broad survey which involved opposition leaders, contrary to the other candidates, Mario Andreazza and Paulo Maluf.

Maluf is not considered as loyal to the president, among other reasons by virtue of the fact that he has already decided to run for the nomination to the office of the president in his own right, independently of the strategy of Planalto Palace and the unity of the PDS [Social Democratic Party].

Andreazza began late, according to an analysis by the same military advisor, when it came to getting ready for indirect election and this is why he pushed his candidacy, facing more of a risk of losing in the end than Aureliano Chaves. His name is viewed with sympathy by some military sectors, primarily by officers who participated with the interior minister in the Movement of 64 and they are more identified with the old group of the late President Costa e Silva.



The interior minister is getting a certain measure of support from military leaders linked to former President Medici among whom there however is also support for the Maluf candidacy. The Andreazza candidacy however has not been able to withstand a minor test among the military leaders in the strongest group of the Movement of 64, that is, the old military establishment, today called the group of former President Geisel.

The former president, by the way, has an alternate name to that of the current vice president and that is the name of the former governor of Pernambuco, Senator Marco Maciel. The admiration which General Geisel has for Marco Maciel is as strong as the one he has for Aureliano Chaves.

A friend of the former president even admitted that the team probably preferred by the former president to succeed Figueiredo would consist of Aureliano Chaves and Marco Maciel.

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CSO: 3342/3

## AIR MINISTER REVIEWS VARIOUS MILITARY DEVELOPMENTS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Sep 83 p 6

[Text] Gen Delio Jardim de Mattos, minister of aeronautics, justified ending compulsory military service in a statement made in Porto Alegre yesterday, in a sort of explanation of the proposal by Brigadier Gen Waldir Vasconcellos, minister and head of the Armed Forces General Staff (EMFA), calling for the extension of service for at least some of the recruits to 5 years. The words the minister used in describing the proposal were: "professionalization of the soldier." And he added that "Argentina's own experience in the Falklands leads us to professionalize the land, air and sea troops...and not to rely any more on conscripts. The conscript offers advantages and disadvantages. He is a 'new boy' who spends from 9 to 12 months in the barracks and who is really not trained for a military career." The end of compulsory service will mean the end of the draft, and as the minister himself explained, the hiring of professional military personnel for the proposed period of 5 years.

This would be applicable to the army in particular, which has relied a great deal on conscripts, while in the air force and the navy "the men are more professional." Delio Jardim de Mattos traveled to Rio Grande do Sul to tour the work on the expansion of the Salgado Filho Airport in Porto Alegre. He inaugurated the new Canoas Air Base Officers Club (in the metropolitan region), and yesterday he visited the future installations of the Aeroelectronic enterprise, which will produce computerized equipment for the AMX aircraft being developed by the Brazilian Aeronautics Company (EMBRAER) jointly with Italy.

Delio confirmed that the Air Ministry will establish two new air bases in Roraima and Rondonia, "with our frontiers in mind," but he denied that there were defensive purposes pertaining specifically to countries adjacent to Brazil, such as socialist Suriname. "These bases are a part of the strategic plan submitted by the air minister and approved by the president of the republic. When I took over the Air Ministry, what I called the elimination of exclusively coastal bases, with a turn toward the interior, was stipulated."

The brigadier general further confirmed that the Air and Naval ministries, through their maintenance funds, will replace the present Minas Gerais aircraft carrier planes with Skyhawks, the same model Argentina used in the Falklands war, but he gave no details of the operation.

## The Toucan EMB-312

The negotiations with England, which is considering adopting the Toucan EMB-312 aircraft as an advanced training vehicle for RAF officers, are in their final stage. This information was obtained from officials at the Ministry of Aeronautics in Brasilia yesterday. They hope to see an agreement between the EMBRAER and a British aircraft firm signed soon, so that the Toucan can be jointly produced, with a view to equipping the British RAF and other European and African countries. Where the RAF is concerned, about 100 planes will be ordered.

The EMBRAER has been negotiating with the British authorities in the most complete secrecy, and it only plans to announce the agreement when it has been definitively concluded, in order to prevent the purchase of the Toucans from being threatened by domestic pressures, both from politicians and the press in that country, during the negotiation stage. As soon as the discussions began, the British press harshly criticized the Brazilian plane, stating that the only functioning part of this plane was the ejection seat, manufactured in England by the Martin-Backer firm. In France, the Xingu aircraft was subject to this same type of criticism in connection with the negotiations which culminated in the purchase of 42 Brazilian aircraft by the French Air Force.

5157

CSO: 3342/1

## BRIEFS

AIRCRAFT SALES DOWN--The domestic market for the aeronautics industry showed a decline in comparison to last year of about 70 percent, and as a function of this development, the EMBRAER [Brazilian Aeronautics Company] has turned to exports again as an alternative for selling its products. Thus the foreign market accounts for more than 50 percent of enterprise invoices this year as compared to 30 percent last year. These figures were supplied by the president of EMBRAER, Col Osires Silveira, in the course of a speech he gave in Sao Paulo yesterday. He believes that the international market is also showing a decline in the consumption index, which is about 75 percent today. "Even so," he said, "Brazilian planes, mainly the T-27s, which are designed for military pilot training, are being well accepted on the international market. Thus the export prospects for our product are excellent. For example, we are negotiating the export of 150 aircraft of this type for the British air force to England, except that the British government requires that they be assembled there. This will be the first time Brazil has granted a manufacturing license to the British industry. To date, only the opposite has been the practice." On the subject of the North American market, which Osires Silveira regards as the largest world market for the product, EMBRAER is to negotiate the sale of 18 Bandeirante aircraft during the balance of the year. To date, two have been exported. There are also plans for the export of 162 planes by EMBRAER before the end of the year to countries which the enterprise declined to specify, because of the highly competitive negotiations. But Osires Silveira said that these projects involve countries in Central America and the Middle East. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Sep 83 p 24] 5157

NAVY MISSILE PURCHASE--Adm Eduardo da Silva Fonseca Maximiano, minister of navy, said yesterday that it is possible that the Brazilian navy will purchase the Barracuda missile being developed by AVIBRAS in Sao Jose dos Campos. The minister spent almost all of yesterday at AVIBRAS discussing the possibility of production of this surface-to-surface missile by the enterprise to equip the corvettes the navy will build at its Rio de Janeiro shipyard. The minister announced that although there is still a preference for the foreign missile, "because it is already available" (it will take AVIBRAS 5 more years to produce it), it may be purchased from the domestic industry, if the negotiations now under way are successful. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Sep 83 p 5] 5157

CSO: 3342/1

## NATIONAL CENSUS FIGURES FOR 1981 RELEASED

Havana GRANMA WEEKLY REVIEW in English 4 Sep 83 p 9

[Article by Jose M. Norneilla]

[Text]

THE 1981 census on population and dwellings in Cuba was concluded by the State Committee for Statistics (CEE). The information is contained in two volumes that were turned over to Humberto Pérez, alternate member of the Political Bureau of the Communist Party of Cuba and vice-president of the Council of Ministers.

Fidel Vascós, minister-president of the CEE, said that the census was begun on September 11, 1981, and was completed in the relatively short period of 22 months.

According to official figures, the population of Cuba when the census was begun on September 11, 1981, was 9 723 605 or only 17 236 more than the number estimated on October 30, 1981, when the first returns were processed.

Vascós went on to say that a total of 16 censuses had been taken in Cuba. The first one was in 1774 and the number of inhabitants was estimated at 171 600 with a population density of 1.5 per square kilometer. The present density is 87.7, a relatively high figure in comparison to the world mean figure of 33 per square kilometer.

There was an interesting detail in Vascós' report: according to official figures, 47.1 percent of the population (over 4.5 million persons) were born after December 31, 1958, that is, in revolutionary Cuba. Another outstanding detail of the 1981 census is that the mean yearly growth rate has dropped to 1.1 percent — the lowest figure for this century and higher only in regard to those registered in the last 30 years of the 19th century.

The reduction in the mean yearly growth rate is due to the low birth rate, particularly after 1975, and the departure of the antisocial elements in 1980.

Vascós said that 69 percent of the population is located in urban areas, although this figure should be understood with the reservation that each country has its own criteria on how to carry out a census and determine the level of urbanization. However, he said, it was worth noting that the growth rate in the urban areas is 2.3 percent, more than twice as high as that of the population growth (1.1). This is due to the fact that the Revolution has extended electric power service, medical service, urbanization and construction of houses and communities in the rural areas, bringing about an improvement in living conditions and a gradual development of urban conditions.

The 1981 census shows an increase in the number of elderly people in urban areas, as demonstrated by the reduction in the number of groups under age 14 which represent 30.3 percent of the total (the previous figures were always above 35.8 percent) and a 7.7 percent increase in the number of persons aged 65 and over (the figure was never above 4.4 percent except in 1970 when it came to 6 percent).

According to the 1981 census the population has the following composition: white, 66 percent; black, 12; mulatto, 21.9; and Asians (around 14 000) 0.1.

Vascós said it was quite significant that as compared to the results of previous censuses the number of whites and Asians is decreasing, the number of blacks remains steady and the number of mulattoes is on the upswing.

Regarding education, the population's mean educational level is almost the seventh grade. None of the provinces' figures are below fifth-grade level. According to the 1953 census a fourth-grade education was the average, with barely a fifth-grade level in the capital. In 1953

less than 57 percent of the children between 6 and 12 were attending school. In 1981, the figure was over 97 percent.

Regarding economic aspects, Vascós reported that 53 percent of those 15 years old and over are economically active and 66 percent are working in production centers. The largest source of work for men is agriculture and industry for women. Almost 18 percent of the female labor force is employed in industry.

According to UN methods of computing unemployment indices, the number of people looking for work in Cuba the week before the 1981 census was taken was 121 700 or 3.4 percent of the economically active population. The figure is much lower than that reported in almost all the capitalist countries.

The number of dwellings was officially set at 2 363 364, with 47.7 percent of them having been built after the triumph of the Revolution.

Fifty percent of the dwellings have between four and five rooms. In 1953, the average was between two and three rooms. Each dwelling is occupied by 4.23 persons. The highest and lowest figures correspond to Guantánamo province (close to 5) and City of Havana province (under four). Two-thirds of the dwellings have running water and over 90 percent have plumbing facilities.

One of the achievements of the Revolution reflected in the 1981 census is that 83 percent of the dwellings permanently occupied have electricity. The figure in 1953 was under 53 percent and just under 71 percent in 1970.

Vascós reported that the number of durable goods for every 100 dwellings was 82 radios, 58 TV sets, 51 refrigerators, 50 sewing machines, 35 electric fans and 28 washing machines. These figures are much higher than those in any of the preceding tallies.

● José M. Norniella  
Granma daily reporter

CSO: 3200/1

## OPPOSITION DLM COMMENTS ON BUDGET, SECURITY SPENDING

Roseau ALLIANCE in English 3 Sep 83 p 2

[Text] We conclude our general commentary on the 1983/84 Budget by stating that the Freedom Government package does not contain solutions to the pressing social and economic problems confronting our nation. Government's adoration of "free enterprise" and its over-emphasis on foreign control will, in the year ahead, continue to stifle the expansion of the public sector, and the growth of the local private sector. And because of its unrealistic foreign policy, neither aid nor investment dollars will be forthcoming. Production will not be boosted. As a result, jobs will not come in significant numbers, wage levels will not increase and, because of this, increased taxation and a rise in consumer prices, the standard of living of the great majority of our people will not improve.

It is interesting to note, however, that in the face of such obvious coming hardships on the Dominican people, Government has moved to increase expenditure on what it considers to be national security. In the coming year \$6.7 million is to be spent on this. This figure is 15.5 per cent more than was spent last year.

At the same time, Government is cutting back on programmes in the agricultural sector, the basis of our economy, on which we sink or float. It has decreased by 12 per cent its expenditure on International organisations, which are very valuable stepping stones to getting development assistance. It has had to overlook projects in Education and Health despite the poor state of the population's health, and the obvious need for more action and less talk in the area of education. And, as mentioned before, the amount to be spent on capital goods (projects that bring in money) has been reduced from \$119.8 mil last year to \$82.8 this year. Of this amount only \$2.1 million goes to Education, Sports and Culture and \$4 million to Health.

Of the \$6.7 million set aside for national security, \$695,000 is to go towards building new police stations; \$30,000 on new equipment to put down riots; \$220,000 on a Police patrol boat; \$19,000 on comeras for the police; \$100,000 on advice about expanding Police Headquarters; and, of course, huge amounts on increasing the size of the Police Force and training the police in the art of killing not only fellow-citizens of Dominica but also our brothers and sisters in St Lucia, St Vincent, Antigua, Barbados and, soon, St Kitts.

The strategy of cutting back on programmes that can make life a lot better for the people while, at the same time, spending more on so-called national security might appear as a contradiction, as opposed to each other. It just doesn't make sense. Yet, in the thinking of the Big-Man government of millionaire Eugenia Charles, this is perfectly legitimate. It is no contradiction at all. Government is clearly taking no chances. It is preparing for the day when, because of its strategies geared towards crushing the poor and elevating the rich, the masses of Dominicans become totally fed up and take to the streets as decisively as they did in June 1979.

[Editor's Note: At the end of column 1 of the above comment on the budget, the paper carries, displayed in large type and all capital letters, boxed, the following: Wanted: A PEOPLE'S POLICE FORCE IN DOMINICA.]

CSO: 3298/017



## PRIVATE SECTOR GROUP DISCUSSES DIFFERENCES WITH GOVERNMENT

Port-of-Spain TRINIDAD GUARDIAN in English 30 Aug 83 p 12

[Text]

ROSEAU, Dominica, (Cana):  
**THE DOMINICA** Government and the private sector aren't seeing eye to eye on what is needed to stimulate investment and national development generally.

The island's largest private sector grouping, the Dominica Association of Industry and Commerce (DAIC) has in a couple of consultations with the Government here put its case for things like a reduction in duties on imports, tax cuts, a lot less smuggling at the seaport to cut down operating costs and for more capital for business expansion.

But Prime Minister Eugenia Charles has countered that the Government has already made concessions on import duties to the business community. Though some consumption tax rates needed further adjustment she said, Government would have to move cautiously on these changes.

Government was already taking a long, hard look at port operations to rationalise the service costs, including the structure of tariffs, she said, but added that, the DAIC had not responded to Government's suggestions for curbing smuggling.

Miss Charles also felt the businessmen were taking too narrow a view of development on the mountainous Caribbean island, where the economy was hard hit by hurricanes in 1979 and 1980.

The Government said it was not convinced that the list of problems identified by the largest private sector organisation here had addressed the important issues affecting development in the private sector.

DAIC president Norman Rolle, in a paper entitled "Fiscal Policy for Dominica," said that the local businessmen were calling for a reduction in the "unrealistic" levels of duty on imports as well as other taxes which they contended were stifling production.

"Our view is that too much potential development is curtailed and restricted by (1) bureaucratic procedure (2) unrealistic rates of duty and (3) extremes of income tax..." Mr Rolle said, warning that the immediate prospects for expansion of the economy were bleak.

But Prime Minister Charles, during a mid-August meeting with the DAIC membership, replied: "We are not convinced that the submissions made by the DAIC address the important issues affecting development in the private sector."

The Government said that it had already identified a few areas of policy designed to assist the private sector: (1) increase in national savings with the resultant increases in commercial bank liquidity (2) expansion of credit facilities, (3) import controls designed to increase local production/import substitution and (4) expansion of export markets and provision of basic infrastructure.

"We are aware that there are other areas not identified in the submission and which in our view from an essential part of private sector development," the government said.

The Government listed them as: sectoral credit policies in commercial bank lending, market intelligence for exports and imports, joint ventures between government and the private sector in new areas of production, and the use of private sector services in major government projects.

"The initiative to activate the above necessarily rests with the private sector," the government remarked. It also said the

submissions by the DAIC were "geared towards one sector -- the commercial sector."

"In Government's approach to the task of developing our economy, fiscal policy must be designed to encourage a systematic pattern of growth in all sectors," said Miss Charles, noting that such was reflected to a large extent in her 1983-84 national budget.

The Government said that in the area of levels of duty on imports assistance had been given to productive enterprises under a fiscal incentives scheme so that they were not affected by adverse changes in duties and taxes.

"It is recognised that some of the rates of consumption tax require further adjustment and work is being completed in rationalising the rates contained in the scheduled of consumption taxes," Miss Charles said.

"This has to be done cautiously, so as not to impose too great a shock to the revenue. Adjustments that are found necessary will be phased over a reasonable period."

#### CDB HELP

On the question of the port operations, which the DAIC said were not encouraging to local businessmen, the Government said that a study was now being conducted with

the assistance of the Caribbean Development Bank (CDB) to examine the gateways operations and financing.

The Government said the objective of the study was to rationalise the service costs, including the pricing of labour and the structure of the tariffs.

The Government also said that a new Customs Act would soon be introduced and through it a valuation review committee would be established, with the main function being to investigate areas of dissatisfaction reported by importers.

The DAIC had said that high rates charged by customs were robbing Dominica of vital foreign exchange because they were discouraging inhabitants of nearby islands from doing their shopping here.

But Miss Charles said: The DAIC will recall that when an attempt was made it set up the new valuation system in consultation with the private sector it met with a great deal of resistance."

CSO: 3298/005

## ANALYSIS OF ELECTION PROSPECTS OF UNITED DLM, LABOUR

Roseau ALLIANCE in English 3 Sep 83 p 5

[Article by Dr Bill Riviere: "Our Party Is Both Realistic and Honest!"]

[Text]

The ruling Freedom Party was once upon a time going around saying that DLM was setting a trap for the Labour Party by calling for a Labour-DLM arrangement to contest the next General Elections jointly rather than in competition against each other. In response, Labourites who have no doubts about how hard the Freedom whip stings, quite rightly dismissed this as a clever trick by the bourgeois in power to keep the Opposition divided, split up votes once more and ensure the re-election of their Party.

This view has surfaced in another form. It states that DLM is weak because it has taken the initiative and called for an election agreement with another Party.

Such a position lacks basis historically and politically. A political party does not enter into compromises because it is weak or strong, but because it is realistic, and places the interest of working people before the interest of its own Party. DLM is both realistic and honestly committed to the upliftment of the oppressed.

The realistic side of DLM understands that neither DLM by itself nor the Labour Party by itself is strong enough

to beat Freedom Party in 1985. And an analysis of the 1980 election results has revealed that had DLM and Labour contested as a united force, Freedom would have lost at least 9 seats. That is to say, the Party would have won 12 instead of 17 seats. And, given the enormous support Freedom has lost since 1980, faced by a united Opposition it is almost bound to lose in 1985.

The honest side of DLM takes the position that the interest of working people must be given priority. Given the level of suffering which they are presently facing, their interest at this time calls for an Opposition election agreement. So, despite differences, DLM and Labour must enter into a political compromise.

World history is decorated with instances of political compromises called for by strong organisations. In Latin America today such compromises are being forged. Here in Dominica this is essential to advance the struggle of the working masses. There is no other way.

CSO: 3298/017

## CBI OPPOSED, CALLED 'PLAN TO RECOLONIZE CARIBBEAN'

Roseau ALLIANCE in English 3 Sep 83 pp 1, 3

[Text] On Thursday this week, five top-level US officials visited Dominica to convince the Freedom Government, the local businessmen and the trade union leaders that warmongering Reagan's C.B.I. is our only hope, that Dominica stands to gain. Our party, D.L.M., in a statement released to the press to coincide with the visit, exposed the C.B.I. for what it is, that is, a clever plan by the Reagan administration to recolonize the Caribbean, tying the regional economies much more closely to US imperialism and by maintaining in power, through military assistance, governments in the region which are committed to capitalist exploitation and oppression of workers and working people.

And despite the fact that Reagan's C.B.I. took almost two years to pass due to strong opposition to the plan from within the United States and the region, many Caribbean leaders like PM Charles, are convinced that the C.B.I. is the

only answer and they are welcoming it with open arms. We in the DLM take a different view. Far from being the answer, the C.B.I. will in fact increase our dependency on foreign capital.

## CAN DOMINICA REALLY BENEFIT?

Does Dominica really stand to gain by the C.B.I.? The small change we will get from the US\$350 million will not even allow us to scratch the surface of the problems confronting our economy. We feel that if the Reagan Administration meant business it would stop wasting billions of dollars on weapons of destruction and instead, spend that money on economic reconstruction of underdeveloped countries such as Dominica.

The simple act of opening up US markets to Dominican products by itself will not ensure that our products will in fact sell in the United States or fetch good prices. Our goods will have to get past the high standards set by the US Government and face stiff competition. Furthermore, US Businessmen will not be attracted to Dominica just because the US Government offers them incentives. Our bad roads and other great problems of infrastructure keep away investors. Dominica, whether we like it or not, is in a poor position to take any advantage of the benefit or opportunities presented in the C.B.I.

CSO: 3298/017

## BRITISH FIRM REJECTS GOVERNMENT BID FOR LOWER ELECTRICITY RATES

Roseau ALLIANCE in English 3 Sep 83 pp 1, 3

[Text] CDC, the British multinational corporation which controls Domlec, the electricity company here, has told PM Eugenia Charles a flat no to her request for a reduction in electricity rates. PM Charles had recently stated that her government would reduce electricity rates because the hydro system was back in operation. PM Charles then gave Dominicans the impression that she was seeking reductions for thousands of already tax-burdened electricity consumers.

ALLIANCE has learnt that PM Charles is in fact asking for reductions in the rates for industrial enterprises and street lamps, from the present rate of 32.5c per unit to 20c per unit. CDC refused to grant this and with its 51% shares, it was not bound to accept government's demand. PM Charles, faced with pressure from our party and the over-taxed masses after two consecutive budgets of hard times, made a quick promise that her government would reduce electricity rates. But she did this with out consulting CDC. Dominicans will recall that over one and a half years ago, PM Charles promised the nation that her government would nationalize Dom-Lec, i.e. taking over the 51% shares held by CDC in the local electricity company. Up till now CDC is very much in control.

Ease Up Nassief, Squeeze the Poor.

Again, PM Charles in her usual clandestine manner, is proving that she represents only the interests of the big man by seeking reductions in electricity rates only for industrial enterprises and street lamps. So Nassief and the other big boys will pay less for electricity, and so make more profits while poor remain squeezed by high rates, taxes and bills. A DLM Government would do the direct opposite, i.e. seek reductions for those who need them most, for those who cannot afford to pay,

the poorer consumers, the majority of tax-burdened workers in this country. But a big man government like that of Miss Charles would ease up Nassief and squeeze the poor. Is this just?

#### NATIONALIZE CDC!

If CDC has rejected reductions for the big boys like Nassief, it will reject even firmer, any demand for reductions for the working people. CDC with its 51% share majority in Dom-Lec, is not bound to accept any demand of government. Given the fact that more than half of this country is without electricity, and there seems to be no indication of expansion of the services, the nationalization of CDC here is overdue.

As long as government has minority ownership in Dom-Lec, it cannot force CDC to accept its demands. To have its way, government must be in a position of strength. To be in that position of strength, government must nationalize CDC.

Our party DLM, calls on the government of PM Charles to stop pussy-footing and making empty promises to the people and take serious steps to get reductions for the poorer consumers and to nationalize CDC once and for all. End foreign control of our major economic resources.

CSO: 3298/017



RENEGOTIATION OF FOREIGN DEBT GETS MIXED REACTION

Senate President Expresses Support

Santo Domingo LISTIN DIARIO in Spanish 14 Sep 83 p 1

[Article by Octavio Mata Vargas]

[Text] The president of the Senate, lawyer Jacobo Majluta, said yesterday that renegotiation of the foreign debt is an urgent requirement for the rapid advance of the country, and that for this reason it must be approved by the National Congress.

The president of the Upper House and of the PRD [Dominican Revolutionary Party] indicated that the country is in financial straits and that only a renegotiation of its debt with the private bankers would eliminate the obstacles to a sound tidying up of the country's international financial standing.

Majluta was interviewed by reporters yesterday at the conclusion of the Senate's Tuesday session.

Asked his opinion on the announcement made by President Salvador Jorge Blanco regarding the outcome of talks and discussions centering on renegotiation of the foreign debt, which totals \$565.2 million, Majluta said that the undertaking of the subject renegotiation is of absolute and pressing importance.

The president of the Upper House indicated that there may well be some aspects of the renegotiation that are perhaps not the best or what might have been hoped for, even by the Government itself.

Lawyer Majluta stressed that the terms and conditions of that renegotiation "are quite hard."

He reiterated that they probably fall short of fulfilling the Government's desire as well as his own highest hope.

"But," he said, "it is our understanding that the subject renegotiation will in any case have to be approved."

Night before last, President Jorge Blanco said, in his report to the country on the renegotiation of the foreign debt, that the latter is an inescapable necessity for the country, in view of the fact that we do not have sufficient hard currency to pay the interest charges in arrears and the maturities of principal of our foreign debt with the private bankers.

The chief of state also stated that he considers renegotiation of the foreign debt to be a "useful and necessary" measure, to avoid the country's falling into a serious economic recession, and that it will also contribute to the carrying out of developmental projects that will have a positive impact on the future of the country.

Yesterday, the president of the Senate said he had listened to the president of the Republic's speech in which he spoke of the renegotiation of the foreign debt, but that he did not yet have in his possession the draft plan of the latter. He promised to follow up with more details later.

Nevertheless, Majluta pointed out that he understands the renegotiation of the foreign debt to be a matter of the utmost and urgent importance, and that it must be approved forthwith by the National Congress.

#### PCD Criticizes Conditions

Santo Domingo EL NACIONAL DE ¡AHORA! in Spanish 14 Sep 83 p 39

[Text] The PCD [Dominican Communist Party] said that renegotiation of the foreign debt is a mere postponement of payment of past due obligations, but that from 1985 onward the country will have to pay higher interest charges than the present ones.

The PCD deems that the agreements with the international commercial bankers will drag the country into a chain of renegotiations, since it will have to continue borrowing from the commercial bankers to pay its past due obligations.

"That agreement," the PCD maintains, "injects the country into a vicious circle of end-to-end renegotiations aimed fundamentally at easing the situation of the private import sector, and could even result in a weakening of the necessary control of imports. That renegotiation involves more negative terms and conditions than are being obtained by other countries in similar situations, and, in short, takes no account of the funding needed to revitalize the domestic situation."

The PCD adds that the interest rates of 2 and 1/4 percentage points above the LIBOR [London Interbank Offered Rate] and 2 and 1/8 percentage points above the U.S. prime rate are higher even than the previously criticized interest rate on the \$185-million loan contracted by the government of Mr Antonio Guzman and backed by Dr Salvador Jorge Blanco when he was a senator.

According to the PCD, the conditions of the renegotiation of the foreign debt benefit only the international creditors.

It adds that the LIBOR and U.S. prime rate exceed 18 percent, with a trend pointing toward an increase over the next few years, so that, when the 2 and 1/4 percentage points are added on, "the moderate 20" will be left behind.

The leftist organization points out what the president of the Republic says--namely, that the foreign debt with the private commercial bankers will be reduced \$30 million below its current \$988-million level--is untrue.

It says that the amount of the foreign debt, essentially, will remain equal to the portion corresponding to the \$565 to be used to pay past due loans.

It states that, as regards terms, the renegotiation agreement obtained by the country establishes conditions worse than those attained by Costa Rica, Ecuador, Peru, Brazil, Chile, Venezuela and other nations that have renegotiated their debts.

According to the PCD, most of those countries obtained terms of up to 8 and 1/2 years for the repayment of their debts, and grace periods of up to 4 years.

The PCD states that President Jorge Blanco wants to posit himself as the one saddled with the burden of the obligations, whereas, in actual fact, he is an accomplice of the disastrous policy of indebtedness of the previous PRD [Dominican Revolutionary Party] government--whereas, as a senator, he backed all the PRD governments--whereas, as a senator, he backed all the loans contracted, including the \$185-million loan.

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CSO: 3248/7

## BISHOP CALLS 'PEOPLE'S DEMOCRACY' GREATEST SUCCESS

St Georges FREE WEST INDIAN in English 24 Aug 83 pp 1, 10

[Article by Keith Jeremiah]

[Text] PRIME Minister Maurice Bishop has told the opening session of the sixth conference of the American Association of Jurists (AAJ) the Grenada Revolution's most outstanding achievement is the building of real peoples democracy, and said this is essential for "real progress and peoples development."

"This is what the Grenada Revolution is all about - the move from flag independence to peoples power, from the freedom of a new ruling families running a country's affairs, to the freedom of all the people to express their will and implement their wishes and aspirations", he declared to lusty applause.

The five-day conference opened on Monday night at the National Convention Centre (the Dome) in Grand Anse and is being

He also recommended that international economic and cultural commissions be established within the association.

On the economic commission, PM Bishop said that it is useful in helping developing countries in the region to deal with international financial institutions like the International Monetary Fund (IMF) and the World Bank.

As the world economic situation continues to deteriorate, he said the Ronald Reagan administration in the United States is planning to boost its defence spending and pursues policies that threaten world peace and security

The Latin American region has a staggering debt of some "3000 billion US dollars and according to the Eastern Caribbean Currency Authority, (ECCA) the international recession has been accompanied by a sharp decline in the prices for primary products from which Caribbean islands derive income

"And yet in the face of this massive economic crisis", the PM went on, "the profound and just aspirations of the hungry and dispossessed millions for a world of peace, equality and economic independence and development is scornfully negated by the insensitive arms build-up".

He described president Reagan's plans to spend US\$160 million to build a military base in Honduras as to "colossal waste."

"If put to productive use, that sum can provide 96,000 Latin American and Caribbean students with 320 properly equipped primary schools or, by Grenadian standards, build 12,500 bedroom units."

PM Bishop once again reiterated Grenada's support for the Nicaraguan people and revolution, now facing intensified attacks and intimidation from US imperialism.

The Nicaraguan Government, he explained, "is illegal in Washington's eyes because the Nicaraguan people are determined to put an end to foreign domination and to being considered an off-shore plantation for metropolitan capitalism."

In expressing support for the view that the crisis in Central America must be solved through negotiations, PM Bishop also pledged support for the six-point peace proposal outlined by Nicaraguan leader Daniel Ortega, and Cuban President Fidel Castro's principled position on the situation. attended by lawyers from North and Central America and the Caribbean. [as published]

PM Bishop, who delivered the feature address, pointed out that the democratic structures which have developed over the past four years, such as parish and zonal councils and the mass organizations, are to ensure that the people participate in the decision-making process.

He disclosed that these organs of political power recently moved a step further with the subdivision of zonal councils into mini-zonal councils and moves to form village coordinating bodies to assist the parish coordinating bodies.

Contrary to claims in the anti-Grenada press that the PRG is undemocratic, PM Bishop explained that the revolution has brought an "expansion of political rights, a flowering of peoples direct and permanent participation in running their own affairs, not the sporadic token participation as in the past."

He pointed out that this new democracy will be institutionalised in the new constitution now being drafted, which is to be subjected to extensive public discussion and approved in a national referendum before it becomes law.

PM Bishop also assessed the political and economic situation in the Caribbean and Latin America, the threat to world peace and offered nine suggestions to the AAJ for assisting the poor and working people in countries in region.

The suggestions included the setting up of political-technical commissions to tackle issues such as the struggle to get the Caribbean declared a zone of peace, discriminatory dispensation of multilateral aid, constitutional and legal reforms and external aggression and destabilisation.

CSO: 3298/018

## ENVOY TO VENEZUELA TELLS FISHERMEN TO MAKE USE OF EMBASSY

St Georges FREE WEST INDIAN in English 24 Aug 83 p 13

[Text] GRENADA'S ambassador to Venezuela, Matthew William, has called on Grenadian fishermen and boat owners to make use of its embassy there to help them avoid unnecessary suffering when rescued by Venezuelan authorities.

Amb. William, commenting on two recent incidents involving fishing boats that went astray to that South American country, said the Grenadian embassy did all it could to get the stranded fishermen back here after being rescued by Venezuelan authorities.

"Boat owners and fishermen", he said, "should become aware of the embassy and should have its address and telephone number (which is 77 33 85 - 979 97 86)."

The most recent incident involved the Humming Bird, an inter-island Schooner, with 13 people on board, which had been reported here as missing in April.

Amb William recalled that Grenadian authorities informed him about the boat's disappearance and he, in turn, notified the Venezuelan authorities, who alerted their coast guard, to be on the lookout.

The Coast Guard, however, did not have time contact the Humming Bird, which had apparently reached land.

Its crew were jailed for two weeks before they were able to contact the Grenadian embassy, through a British embassy representative in the city of Maracaibo.

Once contacted, Amb. William said, the embassy made all the necessary arrangements to get them out of jail, to Caracas and, from there to Grenada.

He said the same was done for the crew of the Flying Fish, another local boat which strayed in Venezuelan coastal waters, after the embassy had been informed that its crew were jailed in Caracas.

Amb. William noted that fishing boats which go adrift usually lack things such as radio, life boats and flares, all of which could assist them in distress.

Editor's Note: The caption to a photograph accompanying the above story says: "Grenada's ambassador to Venezuela, Matthew William recently presented his credentials to the heads of state in Brazil and Argentina. On May 19th, he presented his credentials to president Revnaldo Bigonne, and on August 9, he did so to Brazil's acting president, Aureliano Chaves. Amb. William is the first Grenadian ambassador to be accredited to Venezuela, Brazil and Agrentina. He is seen in the picture above presenting credentials to Brazil's acting president, Aureliano Chaves.

CSO: 3298/018

## NEW FIXED RATES FOR FOREIGN EXCHANGE GO INTO EFFECT

Kingston THE DAILY GLEANER in English 31 Aug 83 p 1

[Text]

The new uniform fixed rates for buying and selling foreign currency went into effect yesterday, with no notable effect on increase in foreign exchange activity being reported by the commercial banks.

The current rates of exchange for the U.S. dollar are \$2.91 (cheques) and \$2.86 (notes) buying; and \$2.96 selling. Fixed rates are to be decided on by the banks every Thursday.

The banks are dealing with cash as well as cheques, contrary to the report in yesterday's *Gleaner* which stated in error that they were dealing only with cheques.

Those banks contacted yesterday reported "no change" or "normal business" or "less than normal business".

Responding to the theory that people would "flock the banks" to sell their foreign exchange at between 11 cents and 31 cents higher than the previous multiple rates, a spokesman for Citibank said that although the fixed rates were higher than he had anticipated, Citibank "is not negotiating" higher rates.

The foreign exchange flow yesterday was less than normal, he said, but added that that may be attributed to "scepticism" on the part of clients as far as "anything new" was concerned.

He said that the reaction of the public to the parallel market rate of exchange, when it was first introduced, had been the same, so with time he expected that the change would be accepted.

The Half-way Tree Road branches of Bank of Commerce Jamaica Ltd., and Bank of Nova Scotia Jamaica Ltd. reported "normal business".

A spokesman for National Commercial Bank, King Street, said it was too early "to tell the full impact" of the fixed rates on the foreign exchange flow of the banks.

Jamaica has two other rates of exchange: the official rate of U.S.\$1 to J\$1.78, and the special Caricom rate of U.S.\$1 to J\$2.25.



## MANLEY SCORES SOVIET UNION, 'MILITARISTIC MADNESS'

Kingston THE SUNDAY GLEANER in English 4 Sep 83 p 1

[Text]

PNP President Mr. Michael Manley said yesterday that the shooting down of the South Korean plane "stands as a startling indictment of the militaristic madness which now threatens the world."

Mr. Manley's statement said:

"The People's National Party shares the shock and horror of the rest of the world at the 269 deaths which resulted from the loss of the Korean airliner. If it is true that the plane was shot down, the Party absolutely condemns that act as being totally unjustifiable since it was bound to result in serious loss of civilian lives. If, as is claimed by the Soviet Union, the plane was being used for spying, then the reckless exposure of innocent human lives which this entailed must also stand condemned, but the Party feels that the Soviet Union ought to have resolved to exhaust its diplomatic options to prevent a recurrence, instead of resorting to force.

While the Soviet Union and the United States banter charges and counter-charges, the stark reality is that yet again many innocent lives have been sacrificed at the altar of superpower militarism.

If the Soviet account of the incident is true, it reveals how far each side will go and has gone in gambling and in taking innocent human lives in the ridiculous superpower race for supremacy in the weapons and techniques of destruction aimed at the human race.

Whatever may be the truth of the matter, the incident stands as a startling indictment of the militaristic madness which now threatens the world and each and everyone of us, and of those who promote it.

It strengthens the resolve of the Party to keep our island home free from military involvement and alliances of whatever kind."

## ECONOMY, RISING PRICES SUBJECT OF BROAD ATTENTION

## JLP Adherence to Plan

Kingston THE DAILY GLEANER in English 30 Aug 83 p 16

[Text]

The Government of the ruling Jamaica Labour Party will stick to its programme for economic recovery, even if the programme costs the Government the next election.

Senator Ronald Irvine, Minister without Portfolio and JLP chairman, said this in New York on August 20, as he predicted that there would be healthy improvements in the Jamaican economy after 1985.

Dr. Irvine was speaking to members of the Jamaica Nationalists' Association of New York and New Jersey, at a meeting in the Bronx, New York, a JIS release said.

He said that when the measures now being taken by the Government began to bear fruit, the Jamaican economy could become, "the envy of the region."

The Government would stick to its programme for economic recovery, "even if it cost us the next election," he said.

He said that at the end of 1980 when the Government took over, the first act was to borrow \$20 million as there was no money in the Treasury "to carry on even for two

weeks." All the utilities had been run down, and expenditure to resuscitate the Jamaica Public Service Company alone was about \$300 million.

Meanwhile, he said, revenue from the bauxite industry fell by about US\$300 million per year, as that industry was going through the most severe recession in its history.

Referring to charges that the Government had allowed too much import of consumer goods, Dr. Irvine said this was partly true. But it was a conscious decision to reduce years of unprecedented pressure on the Jamaican public.

He said that much of the luxury imports had been illegal, and the Government had moved to overhaul the machinery for dealing with the situation.

On the JLP, Dr. Irvine said that it was now reorganizing its machinery, and by the next conference the machinery would be in place.

He was presented with a plaque commemorating his 20 years of public service by Jamaica Nationalists' Association president, Mrs. Grace Heaven.

Mrs. Heaven paid tribute to Dr. Irvine for his work and described him as "a perfect gentleman."

Following his address, Dr. Irvine answered questions from the audience, comprised of people from New York, New Jersey and Connecticut.

Mrs. Irvine, who accompanied the Minister, was presented with flowers by Miss Debbie Grand and Miss Donna Copeland.

Chairman was Judge Andrew McDonald of New Jersey. The invocation was given by Pastor L. Walton. Solos were rendered by Dr. Jennifer Huie, who travelled from Toronto, Canada, Mr. Albert Fisher and Mr. Byron Levy.

## Vaz On Inflation

Kingston THE DAILY GLEANER in English 6 Sep 83 p 13

[Text] The "flurry of price increases" is expected to ease shortly, the Hon. Douglas Vaz, Minister of Industry and Commerce, says.

In an interview with the *Gleaner* over the weekend, Mr. Vaz said that at his regular weekly meeting with the Jamaica Chamber of Commerce, the directors had decided to carry a proposal from him to their monthly meeting, today (Tuesday), for the downward adjustment of prices to reflect the current parallel market rate at the commercial banks.

"If the business community would decide that they are not going above what (rates) the banks have agreed, then the parallel market rates shall be reduced," Mr. Vaz added.

Mr. Vaz said: "We need the discipline to stop being selfish and allowing a handful of people to manipulate us." The businessmen were themselves consumers and it suited them to have the parallel market rate-dollars at the lowest rate possible, he said.

"In the meeting with the Chamber of Commerce this morning (Friday) they said they are

going to be putting before their directors on Tuesday coming (today) a proposal which I gave to them on how they can assist in ensuring that the rate of the parallel market-dollar does not go beyond the astronomical level at which it now is," he stated.

This would only work, he said, if everybody stopped chasing "their own tails" and stood on a position of principle that they were not buying the dollars above what was being offered by the banks.

The Minister said he had also met with pharmacists and requested them to give different treatment in terms of prices to the life-saving drugs as against the casual drugs.

Explaining the cause of the high price-hikes on some drugs, he said that a quantity of drugs had been missing from the market prior to 1980 but they had been brought back since then. During the time these drugs were missing, the suppliers abroad had hiked their prices, which were further aggravated by the parallel-market adjustments.

"It would be dishonest for me to say that the cause of the increases in

drugs was not due to the parallel market and it did not produce an effect on prices."

The most important thing was to separate the life-saving drugs coming in on a duty of five per cent, from the casual drugs which attracted a duty of 33 per cent, Mr. Vaz said. The pharmacists are to report back to him on the adjustment of the drug prices this week.

The recently introduced consumer protection "hotline" was affecting how people were buying, as it spurred consumers to go all over the place to seek cheaper prices from shops when they found that they were being ripped off, Mr. Vaz said.

He warned that all retailers should be aware of the "hotline" and what it was doing because it was going to teach them the "awesome power" that the consumer had and if that power was turned against the retailer, it was going to put them out of business.

"What my job entails, is to teach the consumers how to protect themselves and to ensure that prices rise only to an extent that can be supported," Mr. Vaz said.

## Chamber of Commerce Objection

Kingston THE DAILY GLEANER in English 8 Sep 83 p 1

[Text]

Executive members of the Jamaica Chamber of Commerce have rejected a proposal from the Hon. Douglas Vaz, Minister of Industry and Commerce that merchants attempt to achieve a downward adjustment of prices of consumer goods in line with the prevailing uniform parallel market rate of \$2.96 to the U.S. dollar at the commercial banks.

The CofC's Executive rejected the proposal on the ground that the rate was "very new and cannot be considered effective until such time as funds become available at this rate of exchange."

In his monthly meeting with the Chamber last Friday, Mr. Vaz made the suggestion against the background of spiralling prices of consumer goods,

which in the case of drugs and school books, have been increased some 100 per cent.

"If the business community would decide that they are not going above what (rates) the banks have agreed, then the parallel market rates shall be reduced," Mr. Vaz said in a weekend interview with the *Gleaner*.

However, at the Chamber's Executive meeting on Tuesday, President Bruce Rickards said that while the Chamber was aware of the burden on the consumers, particularly as it related to drugs and schoolbooks, it must be noted that these items moved from an official rate of exchange of \$1.78 to a currently realised parallel rate of \$3.25.

A statement from the Chamber yesterday said that while they appreciated Government's attempts to fix the parallel market dollar at \$2.96, this was very new and could not be considered effective until such time as funds became available at this rate of exchange.

The Chamber fully supported the Government's attempts to stabilize the parallel market, adding that it would encourage all members not to do anything which would detract from its having maximum positive effect, the statement said.

One executive member noted: "We'd like to point out that by moving the parallel rate from that published by the banks at \$2.68, there will inevitably be an increase in the levels of duty which have to be paid at this new parallel rate."

TOUCHING 'ON OTHER ISSUES which the Chamber said required immediate attention by Government, Mr. Rickards observed that cooking gas needed to be addressed urgently. It was dangerous and short-sighted to ignore this issue as it related to the price at which it was being sold.

"It is an issue which must be dealt with soon, before the public is finally deprived of this vital service," Mr. Rickards said.

The statement quoted Mr. Rickards as saying that other issues requiring immediate attention included truckage costs which were affecting the price of basic food items such as flour. "This matter requires urgent attention for there's no benefit to the public to leave these issues pending until crisis situations develop," he added.

Mr. Rickards said that even though many of the basic items remained on the official rate, Government had not taken into consideration local increased costs that had developed over the past, due to the effects of increases in the cost of fuel and other support services.

The Chamber gave its full backing to the consumer hotline programme instituted by the Ministry of Industry and Commerce, noting that it also had in place its Better Business Committee which was also available to receive valid complaints and to deal with them as they were reported.

#### Vaz Criticism of Businessmen

Kingston THE DAILY GLEANER in English 8 Sep 83 p 12

[Text]

Minister of Industry and Commerce, the Hon Douglas Vaz, in paying tribute to the work of the founder of Modern Furnishing Company, has asked why businessmen need to have all obstacles removed before they could plan ahead.

Speaking at the 25th anniversary exhibition of Modern Furnishing Company at Seventh Avenue Plaza Constant Spring Road, Kingston, on Thursday evening Mr. Vaz asked: "Since when has everything got to be all right before we can move ahead and plan creatively to forge ahead?"

"Since when have all obstacles got to be removed at once before we can make steps along the path of progress? What has happened to toughness and resilience?"

Mr. Vaz, who was speaking on the growth and potential of the furniture industry and some of the problems being experienced, said he knew there were problems, but asked why businessmen had to get all obstacles removed before they could plan ahead.

He chided businessmen for not showing more resilience, stating that if Leo Henry, founder of Modern Furnishing, was around, he would have been critical of those in the industry for seeing calamity in opportunity, rather than opportunity in calamity.

He was also critical of those businessmen who

were over-pricing their goods and asked that they desist from doing this, stating that they should not price the poor out of the market. "It is a pity that some of our businessmen forget the real strength of their business and have been over-pricing themselves out of business. Then they bawl about the Government squeezing them," he said.

Some of the problems in the industry, Mr. Vaz said, were the difficulty in getting upholstery material, machine parts and financing.

He said that despite the problems, the furniture subsector recorded the largest export growth of any other sector last year, increasing sales by 193 per cent over 1981. This represents exports to CARICOM. The target this year was to exceed the \$11-million export figure by \$2 million. The Jamaica Commodity Trading Corporation, he said, was making efforts to ensure adequate supplies of lumber to the industry. Since the start of August 100,000 board feet of lumber had arrived and another ½ million board feet was expected for September.

Mr. Vaz also noted efforts being made in developing marketing strategies.

The Minister commended the company on its achievements over the years pointing to its consistently high quality and attractive designs.

## Private Sector Views

Kingston THE DAILY GLEANER in English 9 Sep 83 pp 1, 16

[Text]

Today the **Gleaner's Marcia Erskine** completes her discussions with private sector representatives **Mr. Roy Collister**, President of the Private Sector Organisation of Jamaica; **Mr. Anthony Williams**, President of the Jamaica Manufacturers Association; and **Mr. Bruce Rickards**, President of the Jamaica Chamber of Commerce; and public sector representatives **Mr. C. T. Brown**, Deputy Governor at the Bank of Jamaica and **Dr. Headley Brown**, Director of the National Planning Agency. The interviews were done on August 18 and 19.

The inaccessibility of short term credit, and especially the Export Development Fund (EDF), the decrease in the purchasing power of the Jamaican dollar, and the consequences of Jamaica's high rate of consumption were some of the issues identified by the private sector panel as being of major concern among their peers today. The manufacturers complained that they were currently having much difficulty getting orders for raw materials confirmed through the EDF one of the cheapest sources of credit available to the Jamaican importer.

The revolving fund according to **Mr. Anthony Williams**, had dried up somewhat causing some amount of hardship among manufacturers. **Mr. Williams** explained that persons who qualified for EDF credit would normally receive and repay the funds in foreign exchange. The EDF must be replenished by hard currency such as US dollars or English pounds. Because most Jamaican manufacturers earned "soft" currency through their transactions with CARICOM countries however, the Bank of Jamaica must use such funds to purchase hard currency to replenish the Fund. The Bank also makes up the difference between the CARICOM rate and whatever rate they can procure hard currency at, **Mr. Williams** said.

**Mr. Collister** noted that accessibility to the EDF ensured the manufacturer of money at the official or special rates of exchange "and if this window is closed, our only alternative is to buy foreign exchange at parallel market rates immediately sending up our costs and rendering us uncompetitive."

He noted that exporters to third countries were currently allowed 50% of their foreign exchange earnings at the parallel market rate but described this as half incentive and half disincentive.

"The logical thing to do" he said "is to apply the parallel rate to the EDF for raw materials and allow the exporters to keep 100 percent of his earnings." **Mr. Rickards** said that the main reason for allowing the exporter only one half of his foreign exchange earnings was because he could access the EDF and now that this line of credit was not readily available, the terms should be changed.

**Mr. Brown** explained that the Bank of Jamaica was currently committed to completely replenish the EDF by October. He said that it was the current foreign exchange shortage which had decreased the Bank's ability to replenish the EDF for soft currency earnings, that had resulted in the current problems with the facility.

Noting that some 90 percent of Jamaica's gross domestic product (GDP) was currently being spent on consumption, **Mr. Collister** predicted a "shake-out in the economy" in the near future if this was not reduced. He explained "The rule of thumb in the average economy is for consumption costs to be somewhere in the region of 70 to 80 percent of GDP. We've been knocking around 90 percent for the past 10 years but we cannot, neither in the private nor the public sector, afford spend 90 percent of our GDP on consumption. Right now we have a situation where the forces in the market place are trying to compensate, purchasing power is decreasing, and the consequences may well be a shake-down in the economy."

"In the next few months, we may not be talking about parallel market but rather about how depressed the purchasing power has become in the community and instead of having warehouse full of new materials, we'll have them full of finished products."

"We're in a debt trap and the cost of servicing our loans is simply taking too

much out of the system. No country goes forward with a 90 percent consumption/GDP ratio and we must pull back to about 80 percent; though I dare not think about the implications of doing something like that."

Dr. Headley Brown noted that the indicators of growth in the economy such as the GDP, inflation rate, fiscal deficits and trends, balance of payments position and investment activity show a Jamaica no worse off than in the eight years preceeding 1980.

Noting the likelihood of some negative growth being registered this year, Dr. Brown said however, that "it won't be the largest Jamaica has ever seen."

It was noted that the fiscal deficit had been cut down to 12.4 percent of GDP coming down from 17 percent and the target was for a further reduction to approximately 10.8 percent by 1985/86. A direct link was also indicated here between the lessening deficit and the inflation rate since "if the fiscal deficit were out inflation would have been much higher," Dr. Brown said.

Dr. Brown said that an improvement in the Government's system of tax collection had helped in containing expenditure and a careful check also had to be placed on wage adjustments which if too high, could push up inflation. He said that wages must be adjusted in relation to productivity.

Dr. Brown noted a deterioration in Jamaica's balance of payments position but said that Jamaica was committed to improve this by March in keeping with the agreement with the International Monetary Fund (IMF). He said "We are expecting by March to achieve a target of improvement of \$125-million. Last year we improve by 20 million representing a deterioration on the year before. And this trend was continued from January to now."

He noted that investment activity improved last year by 30 percent over 1981 following on the 30 percent increase of 1981 over 1980. He predicted

some improvement this year, though could not yet give a figure.

Dr. Brown said that logically, if there was negative growth in Jamaica in 1983, there would be some increase in the unemployment rate as well, even if just marginally.

Noting that Jamaica was not by any means worse off economically than many of the countries in the world and indeed, the region, Mr. C. T. Brown said "the entire world is passing through an economic recession. The Jamaican economy during the decade of the 60's had its most prosperous period due to the investment such as in the bauxite and tourism sectors. We could borrow freely then and the economy grew at an average of 6 percent. Coming into the '80's after the problems of the 70's, we saw a decline of some 18 percent in the economy and now the biggest foreign exchange earner, bauxite, is flat on its back resulting in about 40 percent decline."

#### Same Standard?

"Today we can't borrow as freely and even if we want to, the lenders are just not there; so the economy has to lean heavily on our own resources for the first time. Jamaicans on the other hand want to maintain the same standard of living regardless of what is happening around them and our earnings are simply not flowing as before though we are consuming more, and saving less. The balance in the current account has been brought down to US\$200 million and our target is to get it up to \$105 million to a position where there could be some saving."

The demand in the world economy is declining, so the demand for Jamaican goods and services is naturally affected, but we expect to see some measure of good effect of improvement in the U.S. economy by the second half of next year.

All things considered, we have to try to do much better next year if we are to achieve growth."

## AGRICULTURAL OUTPUT FOR 1983 UP 11.3 PERCENT IN FIRST 6 MONTHS

Kingston THE DAILY GLEANER in English 3 Sep 83 p 6

[Text]

**THE DEVELOPMENT OF A RICE PROJECT CAPABLE OF PRODUCING 4,000 TONS OF RICE ANNUALLY, AT MEYCLERSFIELD, WESTMORELAND, is making steady progress, a Ministry of Agriculture spokesman confirmed to the FARMERS' WEEKLY on Wednesday.**

Meyclersfield is approximately 2,000 acres of swamp lands, part of Landillo, on the banks of the Cabaritta River in Westmoreland, and these lands have been farmed over many years at subsistence levels by small rice farmers.

In 1975 the Government of Jamaica approached the Netherlands Government with a view to getting assistance in draining the lands and establishing facilities that would accommodate a more efficient system of rice production. The programme commenced in 1977, and by 1980, after many delays the West Polder section was completed.

This contained 69 five-acre lots with a network of drainage and irrigation canals, supported by water from a 6-million gallon reservoir.

Commenting on the development of the project, the Hon. Dr. Percival Broderick, Minister of Agriculture, said this week that with the help of the Dutch Government a rice production expert, a mechanical engineer and other technical staff, a programme of training, applied research, production and eventually settlement, commenced in 1982.

**OF GREAT IMPORTANCE**

This project, the Minister said, was regarded as one of great importance to the country, as the primitive production levels of small farmers in rice (1,000 to 2,000 lbs. paddy per acre) had been retarding the development of the rice industry

among small farmers, although the country imported 60,000 tons of rice annually.

In 1982, 25 farmers were recruited by the project. Subsequently 105 acres were planted for purposes of observation and experimentation and the yields averaged 4,000 lbs. of paddy per acre, with the highest yields being 5,600 lbs. to the acre, Dr. Broderick said.

Mr. Trevor Clarke, Chairman of the Meyclersfield Rice Development Project and Divisional Director of Planning in the Ministry of Agriculture gave additional information about what was being done on the project. He said:

"In terms of the project we had planned that we would start the West Polder as a pilot programme, and that the whole ability of the farmers would improve cultural practices to increase their yields on rice paddy production there.

"We started out with approximately 250 acres of land and we placed farmers on the land on the basis that we would pay them a man-day rate for their labour. We would provide all the inputs necessary, like the rice seeds, fertilizers, chemicals and so forth, for the growing of the rice. This experiment has now been completed after two crops have been put into the field, and what it has shown is that we have obtained yields of up to 5,000 lbs per acre on the crop.

The average that we are using for the economic calculation is around 3,500 lbs per acre and this 3,500 lbs per acre can give an individual approximately \$24.70 per man day return on his labour in the field. This means he would be working approximately 120 man-days for the year, two crops for the year, cultivating rice, thereby earning nearly \$3,000 to supplement an average income of around \$5,000 to \$6,000. This amount would be reached through his other occupation for the other half of the year.

**OBTAIN OWN CREDIT**

"Therefore the project in our estimation is highly successful. The next stage is, we plan to wean the farmers away from the pilot programme, onto the credit system through the People's Co-operative Banks (PCBs), where they will obtain their own credit for the inputs such as seeds, chemicals, fertilizers.



"We will then go into a lease arrangement for the land with the farmers, and we will give each man a viable holding, whether it's going to be 2½ acres or 3 acres or five acres. He would then have an entity where he would be growing rice on his own. We will also develop a marketing organisation or marketing structure for them to process and market the rice, maybe we would assist them there. **We are also planning to put in a maintenance pool where the equipment that they'll be using, the small hand choppers and so forth. We will assist them in the maintenance of the rice farmers.**

"We have completed a two-crop trial down there. It has proved successful. We are putting another set of farmers on a third crop into the field and then we'll be dealing with the farmers on a leasehold facility on the project for the time being. It's difficult to go to a freehold tenancy on the land because of the way the land is built and the water management that is required over the land, and it is very difficult there to grow on a freehold basis.

"This lease-hold system will enable him to have what is in his possession as collateral by the P.C. Bank.

It will be a crop lien also that the P.C. Banks will be going into and they will have a lien over the rice crop as such. So each farmer would have sufficient collateral to go on.

### TECHNICAL DIFFICULTIES

Our biggest problem of the moment is the expansion of the project and we are hoping that we will expand into the East Polder where we can find possibly another 1,000 acres. Nevertheless, some technical difficulties have arisen and it would appear that only another 300 to 400 acres will be available in that particular area. So it appears that we will have to think of some alternate use for the East Polder, and get additional lands in the area under cultivation.

"For the West Polder which we are now working with the farmers, we will have to see how best we can expand this."

Commenting on this aspect of the matter, Dr. Broderick said that the design was to have about 4,000 acres under rice cultivation, producing an average of 4,000 of paddy per acre.

"We will maximise our efforts, doing everything that is humanly possible to achieve our goal, in order that we can eventually produce the 4,000 tons per year we had projected," Dr. Broderick declared.



## STEEL COMPANY UPGRADING FACILITIES, ADDS CRANE

Kingston THE DAILY GLEANER in English 10 Sep 83 p 11

[Text]

A new crane which has speeded up considerably, the loading of steel for customers of Caribbean Steel Company, is now in operation at the plant, at Brunswick Avenue, Spanish Town. The crane, installed at a cost of approximately J\$300,000, went into operation during the first week of August.

The installation of the crane is part of the com-

pany's commitment to the upgrading of the facilities of its Spanish Town plant.

Caribbean Steel now has two cranes in operation in the rolling mill department, as against one in the past. Turn-around time at the mill is now much shorter for the buying public.

Previously, the single overhead crane was used inside the mill for loading steel and for servicing the

operations. In the event of a breakdown inside the mill house, the same crane had to be deployed to do whatever heavy lifts were necessary, thus slowing down delivery to customers.

The new crane was brought in from the United States and installed by Kingston Industrial Construction (KIC).

Caribbean Steel Company is currently engaged

in upgrading several sections of the factory with the addition of new pieces of machinery and the upgrading of others with the accent being on improving efficiency. In this context, a new forklift valued at J\$250,000 was added to the fleet of mobile equipment in June.

The plant at Spanish Town is the major steel works in Jamaica.

CSO: 3298/027

## PROBLEMS IN SUGAR INDUSTRY ADDRESSED ON SEVERAL FRONTS

## Farmers' Concerns

Kingston THE DAILY GLEANER in English 3 Sep 83 p 2

[Text]

Representatives of some 5,000 cane farmers in Western Jamaica met on Monday and decided to seek a meeting with Deputy Prime Minister Hugh Shearer to discuss their plight.

Mr. K.B. Laing, chairman of the West End Cane Farmers' Association and a spokesman for the group, which comprises the Grange, Green Island, Kew and West-End Cane Farmers' Association, all supplying cane to the Frome Sugar Factory in Westmoreland, had a meeting at which they discussed the situation affecting cane farmers in general and those supplying canes to Frome in particular.

Mr. Laing said that when at the end of July the second payment for the delivery of canes was made to cane farmers, 711

western area cane farmers did not receive a cent. The money they got was all eaten up in deductions, he said.

Because of this Mr. Laing said, many of the farmers will not be able to send their children to school and will not be able to put in new cane cultivation as they would not have any money to clean the canes or to buy fertilizers.

The result of all this, Mr. Laing said, would be "a very heavy drop" in cane production next year.

He said the farmers could not get any fertilizer as they could not get credit for 280 days or for any other period.

He said the programme whereby they used to get loans from the Sugar Industry Authority had been withdrawn since last year.

Another situation, Mr. Laing said, was that the Frome Sugar Factory was not being prepared for the coming crop which starts in December.

The cane farmers have decided to seek a meeting with Deputy Prime Minister Shearer, who they say "is the only person who has sugar at heart", to discuss the problems with him.

Kingston THE DAILY GLEANER in English 5 Sep 83 p 13

[Text]

"We are here to try and understand what you are doing with the sugar industry .... We are concerned that something that we can do is not being done to assist you to better your industry and so we are here to try to understand ... to try to help".

This was what Mr. Eugene Whelan, the Canadian Minister of Agriculture, said during a tour of the Sugarcane Separation Project at Bernard Lodge Sugar Factory, St. Catherine, Thursday afternoon.

The project is a joint venture between the Government of Jamaica — represented by the Sugar Industry Authority, the Sugar Industry Research Institute and the Jamaica National Investment Corporation; and the Government of Canada — represented by the Canadian International Development Agency and Intercane.

It was the Canadian Minister's second stop after his arrival Thursday morning, having paid a courtesy call on the Minister of Agriculture, the Hon. Dr. Percy Broderick, at his Ministry. During the call, the two Ministers held informal discussions.

Mr. Whelan said it was his Government's view that it should try to work together with Jamaica in order to help solve its problems, assisted by CIDA and other Canadian agencies, "with the ultimate aim of trying to make your country prosperous."

Canada was very fortunate, he said, being a country made up of people from countries all over the world, including Jamaica.

Dr. Broderick said sugar production on the world market had been falling as a result of declining prices brought about by the production of highly subsidized beet sugar.

In Jamaica, one of the areas of real deficiency was the lack of investment in the scientific development of the industry. However, he noted, the foreign earnings of the industry, even in its declining state, amounted to \$105 million. He said: "If the industry is dead and is making this amount, then by God, if it were alive, what wouldn't it make?"

He cautioned those who dared to try to write off the industry as dead or dying, stating that it provided employment for some 50,000 persons, and affected the lives of another 300,000.

What was necessary, he said, was for the country to examine the industry to see what was necessary to be done and to take the steps needed to correct those ills and revive it. A major problem, he said, was that while the industry was obliged to sell its products at the official rate of exchange, it was having to buy its inputs at the parallel rate.

"And so we have to look at the additional uses to which cane can be put in order to multiply the returns from this industry."

At the outset of his tour of the project, the Canadian Minister heard

from the Chairman of the Sugar Industry Authority, Dr. Keith Roache, an outline of the state of the sugar industry, of its significance to the island's economy, as an employer of 50,000 persons and which affected the livelihood of approximately 12½ per cent of the population. As an earner of foreign exchange, the industry ranked next to tourism and bauxite, accounting for some US\$105 million of earnings during 1983.

Dr. Roache said that during recent years, the world market supply of sugar had undergone fundamental change. Rapid expansion of beet sugar production and the use of corn sweeteners had had a drastic effect on prices, which had declined from a level of about 20 cents U.S. per lb. in 1981 to about 10 cents per lb. at the present time.

He said that today there were hardly any sugar-producing countries which were not feeling the impact of inadequate prices; and the critical decision facing developing countries which were heavily dependent on sugar was how to maximize the production of the industry to the national economy.

It was in this context that the operation of the Bernard Lodge plant had become extremely relevant, as it was a sincere attempt at improving the

competitive vigour of the industry through the development of by-products. The three areas of concentration were: ● animal feed production; ● molasses fermentation, and ● bagasse and cane rind board production.

He said research into the methodology of steam/chemical treatment of bagasse at the plant was now at an advanced stage; training and research programmes in molasses fermentation to alcohol and rum was already in

place; and the development of a commercial bagasse and cane rind board plant was now ready for implementation.

The SIA Chairman said that in relation to the last-named project, a company, Advanced Technologies Ltd., had been established as a joint venture between the SIA, the JNIC and Intercane of Canada to supervise this development.

A detailed outline of the project was given by Dr. Ian Sangster, Director of the Sugar Industry Research Institute,

### Plea to Seaga

Kingston THE DAILY GLEANER in English 8 Sep 83 p 6

[Text]

**M**R. ASTILL SANGSTER, THE PARLIAMENTARY SECRETARY IN THE MINISTRY OF AGRICULTURE, with responsibility for the sugar industry, lashed out at people involved in acts of sabotage at the Gray's Inn Sugar Factory in St. Mary, while speaking at a special general meeting of the St. Mary Cane Farmers' Association, at the Gray's Inn Sports Club, Annoto Bay, on Wednesday, called specifically to discuss the future of the factory.

He said that the entire community stood to suffer as these acts, along with the stealing of factory parts and spare parts, had resulted in enormous losses and had helped put the factory in debt amounting to over \$29 million.

Mr. Ken Haughton, Chairman of the Association, outlined the purpose of the meeting and said that the economy of St. Mary was historically and factually agriculturally based. He said that bananas and coconuts were once economic crops, but this was no longer so. Sugar, said the St. Mary CFA Chairman, "is the only crop left to carry the economic burden in the parish, hence the closure of Gray's Inn Factory would bring the shutters down on the agricultural income of the parish, with no where else to turn". These views were strongly supported by the farmers attending the meeting.

In response to farmers' questions as to whether the factory would be closed or repaired and refurbished for the next crop, Mr. Sangster said that technical officers in the industry were presently involved in a study which would be completed shortly and which would determine the fate of the factory. He was supported in this statement by Mr. Frank Downie, Secretary/Manager of the Sugar Industry Authority, who emphasised that it was the Cabinet, that would make the decision.

Mr. Sangster went on to say that over the last seven years Gray's Inn has shown a loss in operations of \$29,408,000. He pointed out that the industry could not continue to produce sugar "at any cost."

Mr. Sangster said that if the factory were ever closed it would not mean the end of the industry for St. Mary, as canes could be moved to other factories. He said he, however, hoped this would not be the case.

Pointing to other problems in the industry, Mr. Sangster said there were still inefficiencies in both areas of manufacturing and management.

The Parliamentary Secretary said that those who were advocating the phasing out of the sugar industry had forgotten that many towns and banks had sprang up from the industry, and that 70% of the returns from export of agricultural products still came from sugar and its by-products.

AJICFA Chairman, Mr. T.G. Mignott, pointed out that the Gray's Inn Sugar Factory had never been adequately financed from it was taken over by the National Sugar Company and that he was against the closure of any sugar factory. He referred to the closure of Serge Island, Bybrook, Sevens and Holland factoris, and said that their closures had resulted in reduced sugar production.

Farmers also expressed concern at the fact that they were paid for sugar on the official rate of exchange while some of the inputs for the industry had to be bought at the parallel rate of exchange.

### Factory Sabotage

Kingston THE DAILY GLEANER in English 10 Sep 83 p 6

[Text]

A request for "an urgent meeting" with Prime Minister Edward Seaga to discuss the crisis in the sugar industry, specifically, finances for the industry as it relates to national sugar factories, credit for farmers, the cost of inputs arising from the parallel market and irrigation for the plains of St. Catherine and Clarendon, has been made to the Prime Minister by the chairman of the All-Island Jamaica Cane Farmers' Association, Mr. T.G. Mignott.

In a telegram to Mr. Seaga, the AIJCFA chairman has appealed to him to meet with members of the association's committee of management, urgently, to discuss what he described as "the present crisis in the sugar industry" with specific reference to

the four areas listed.

Mr. Mignott's telegram to the Prime Minister comes at a time when anxiety about the state of the island's sugar factories, particularly those under the control of the National Sugar Company, has been increasing.

Cane farmers have complained that sufficient attention was not being paid to the repair and refurbishing of the factories in preparation for the 1983/84 sugar crop, which begins in November/December. If the repairs are to be carried out in time for the start of the crop, funds need to be released now to purchase spare parts and to do repair work. According to the cane farmers, funds for this purpose have not yet been released by the National Sugar Company.

CSO: 3298/026

PROJECT TO PRODUCE 4,000 TONS OF RICE ANNUALLY

Kingston THE DAILY GLEANER in English 27 Aug 83 p 8

[Text]

**D**OMESTIC AGRICULTURAL PRODUCTION FOR THE FIRST SIX MONTHS OF 1983 INCREASED 11.3 percent over the production for the corresponding period of 1982. The main areas of increase were in the production of vegetables, yams, Irish potatoes, cereals, condiments and fruits, states a release from the Ministry of Agriculture.

According to figures released by the Data Bank and Evaluation Division of the Ministry, the production of vegetables increased from 51,921 tons in the first six months of 1982 to 63,742 tons in the same period of 1983 — an increase of 23 percent. Yams rose from 72,988 tons to 83,137 tons — an increase of 14 percent. Irish potatoes advanced from 17,842 tons to 19,830 tons — an increase of 11 percent, and condiments went up from 4,382 tons to 5,898 tons — an increase of 35 percent. Other items showing increases in production were cereals — up by 117 percent, and fruits — up by 9 percent.

The figures indicated that the production of plantains fell by 14 percent and tubers, other than yams and potatoes, fell by 9 percent.

Preliminary figures for the second quarter showed that a number of parishes had increased production significantly over the previous year. During that quarter, St. Ann increased production by 58%, Clarendon by 51%, Westmoreland by 32%, Trelawny by 26%, St. Catherine by 16%, and Manchester by 12%.

## MAIN REASONS

The main reasons for the increased production were given as the availability of some planting materials, the increase in the export market for yellow yams and sweet potatoes, and the production from the new projects which have been established in Clarendon. It was also noted that the increases were achieved against a background of drought conditions which affected the yields of some crops significantly.

The Data Bank's figures also indicate that there has been an increase of 3.3 percent in the production of meat during the first six months of this year compared with the same period for 1982.

## MEAT, EGG PRODUCTION

Meat production for the first half of 1983, increased by 3.3 percent compared to the same period for 1982.

Increase in poultry and beef production was the main reasons for this positive change. However, pork production declined significantly by 17.9 percent.

Egg production for January—June 1983, shows a marginal increase in production compared with the same period in 1982.

### Preliminary Comparative Estimate of Domestic Crop Production 2nd Quarter 1983, 1982 (Unit: Short Tons)

PARISH	YEARS		PERCENTAGE CHANGE
	2ND QUARTER 1983	2ND QUARTER 1982	
Portland	8,622	8,300	4
St. Mary	7,000	6,582	6
St. Ann	11,343	7,178	58
Trelawny	6,271	4,972	26
St. James	1,698	1,700	—
Hanover	2,559	2,406	6
Westmoreland	2,756	2,091	32
St. Elizabeth	11,540	11,744	- 2
Manchester	9,011	8,016	12
Clarendon	14,402	9,519	51
St. Catherine	11,562	10,009	16
Kingston & St. Andrew	3,033	2,810	8
St. Thomas	4,656	5,165	- 10
All Island	94,453	80,492	17.3%

## BANK DENIES GOVERNMENT MEDDLING IN STATISTICAL REPORT

Kingston THE DAILY GLEANER in English 15 Sep 83 p 1

[Text]

Government has taken no decision to reduce the level of output of the **Bank of Jamaica's Monthly Review**, nor has it taken any decision to delay the publication of statistical documents by the Office of Statistics. Both institutions have said this in response to a request from the **Gleaner** for explanation as to why the **Bank of Jamaica's Monthly Review** has been very late during this year, and as to why the regular publications of the Department of Statistics have not been delayed.

In reply to the **Gleaner** Mr. Winston K. Carr, Director of Research of the Bank of Jamaica has said: "There is no conscious decision to reduce the level of output of this important publication. What has happened is that due to in-house work pressures and the late reporting of certain data of the Bank, we have not been able to do the necessary analysis, and so produce the report with the usual promptness.

However, steps have been taken to correct this situation and the June and July issues will be made available soon. In the meanwhile, the **Statistical Digest** which is up-to-date continues to provide useful current information on the key economic and financial indications of the economy."

For her part the Director of Statistics, Mrs. C. P. McFarlane in replying to the **Gleaner** has laid the blame for the delay in the publication of Statistics at the door of shortage of staff. She said: "The Depart-

ment of Statistics has been operating on what one could consider less than a skeleton staff. Almost all of our trained professional staff have left for more financially satisfying jobs elsewhere. At the same time, at the present salary levels, we have not been able to attract replacements. Accordingly it has become impossible for the staff to keep up with the preparation, to the publication stage, of most of our reports.

"We have had to assign priorities to maximize the use of the very scarce staff resources, and our priorities have been to try to keep all data as current as possible and to make these available on request. Few areas of data are not available on this basis and we have been supply them as requested. In the meantime, we are making every effort to bring the publications up to date."

The Director of Statistics has invited the **Gleaner** and the rest of the media to contact officers of the Department of Statistics as this "would provide an excellent opportunity for the staff to appreciate the data which the Department produces.

The **Gleaner** in seeking information from both Departments had intimated that it was its understanding that there was an attempt by the political directorate to stifle the publication of statistics which might be embarrassing. Neither the Bank of Jamaica nor the Department of Statistics would confirm that this was so.

CSO: 3298/026



## PRICE OF CORNMEAL GOING UP ; FIRST INCREASE IN 3 YEARS

Kingston THE DAILY GLEANER in English 3 Sep 83 p 1

[Text]

The price of cornmeal will be increased today by six cents, rising from 26 cents per lb. to 32 cents.

The new price increase was announced by the Hon. Douglas Vaz, Minister of Industry and Commerce, in an advertisement appearing in today's *Gleaner*.

Maximum retail selling price within the urban and suburban districts of the Corporate Area, and outside that area is now 32 cents, while ex-factory price is \$10.78 per bag; the maximum distributor selling price is \$12.74 per bag and the maximum wholesaler selling price is \$13.25 per bag.

The Marigold brand of packaged cornmeal (12 x 2 lb. bales) will now be retailed at \$1.07 per packet with the ex-factory price being \$9.48 per bale, a maximum distributor selling price of \$10.74 per bale and maximum wholesaler selling price of \$11.38 per bale.

Miracle (24 x 1 lb. bale) will now be retailed at 59 cents per packet; the ex-factory price is \$10.63 per bale; maximum distributor selling price is \$11.97 per bale and the maximum wholesaler selling price is \$12.96 per bale. The other size Miracle (12 x 2 lb. bale) will be retailed at \$1.11 per packet; ex-factory price is \$9.85 per bale; the maximum distributor selling price is \$11.14 per bale and the maximum wholesaler selling price is \$11.80 per bale.

Seprod Ltd., producers of cornmeal, in a news release yesterday, said the price increase resulted from an accumulation of increased costs over three years including the recent shift of packing and other materials from the official rate to the parallel market rate of

exchange. It further stated that the decision by Government to retain imports of corn by the Jamaica Commodity Trading Company at the official rate had the effect of saving the consumer an additional 12 cents per lb. as the price would have been 44 cents per lb. for bulk cornmeal.

Last week there was uncertainty surrounding the granting of the price increase to Jamaica Grain and Cereals, a subsidiary of Seprod Ltd.

On August 23, Seprod announced that it was closing its cornmeal factory indefinitely because of its inability to secure a price increase for cornmeal. It said then, that it had been operating at a loss as it had been unable to get a price increase even though application had been made since January, 1981. This application had been updated several times.

However, on August 25, the company said that as a result of "further consideration" it had decided to re-open the cornmeal manufacturing plant. The *Gleaner* was unable to ascertain the reason for the change in position but it later understood that at the intervention of the Minister of Industry and Commerce, the decision was taken to re-open the plant.

Sixty-two workers at the company had received lay-off notices on August 15 to be effective at the end of four weeks. It is uncertain whether these notices have been withdrawn but at the time of the disclosure of impending lay-offs, the union representing the workers, the Bustamante Industrial Trade Union, requested a meeting with the management to discuss the matter.

The price of cornmeal was last increased on September 17, 1980 when it moved up four cents from 22 cents to 26 cents per lb. Marigold cornmeal is now on the Controlled Price List.

## BRIEFS

CLASH AT YOUTH RALLY--A clash between Jamaica Labour Party supporters brought an abrupt end yesterday evening at the Mico Auditorium in Kingston to the First Caribbean Youth Conference organized by Young Jamaica and the Nationalist Patriotic Movement. At least two persons received knife wounds in the clash between the party supporters outside the auditorium. Bottles were also flung in the fray. Reports from the scene indicate that disorder broke out at about 6.15 after a photographer's political identity was challenged by some J.L.P. supporters at the conference's final session at the auditorium--a youth rally. Persons inside the rally, which was being addressed by Dr. Donna Christian-Green from the U.S. Virgin Islands, hastened outside to see what was happening. The majority drove away during the clash. Parliamentary Secretary in the Ministry of National Security Mr. Glen Webley and other top officials from the sponsors restored order. President of Young Jamaica, Mr. Michael Williams told the Gleaner that the disturbance which brought an end to the rally stemmed from a misunderstanding between two youths. [Text] [Kingston THE SUNDAY GLEANER in English 4 Sep 83 p 1]

WPJ ELECTION PLANS--The communist Workers Party of Jamaica says it will be contesting the next General Elections in Central Westmoreland, Western Hanover and Southwest St. Andrew. These seats are now held by Mr. Karam Josephs of the JLP, Dr. Horace Chang of the JLP, and Miss Portia Simpson of the PNP respectively. The WPJ has not contested a general election to the House of Representatives before. In 1981 Local Government Elections, the party ran unsuccessfully in a division in Westmoreland and one in Hanover. In the 1980 General Elections, the party supported and campaigned for the PNP. Since then, elements in the PNP have blamed that support for the party's massive defeat." [Text] [Kingston THE DAILY GLEANER in English 15 Sep 83 p 13]

HIGH COST OF IRRIGATION--A claim that the high cost of electricity for irrigation was proving to be a disincentive to agriculture and was one of the factors contributing to the low production of sugar and other crops, has been made by the chairman of the All-Island Jamaica Cane Farmers' Association, Mr. T. George Mignott, in a letter to the Minister of Public Utilities, the Hon Pearnell Charles. The AIJCFJA chairman who stated that this cost was growing at the rate of 7 per cent per annum, asked the Minister to receive a delegation from the association to discuss the cost of electricity for irrigation in agriculture with specific reference to the sugar industry. [Text] [Kingston THE DAILY GLEANER in English 30 Aug 83 p 10]

## IMPLICATIONS OF NEVIS ELECTION RESULTS REVIEWED

Basseterre THE DEMOCRAT in English 27 Aug 83 p 1

[Text] THE Nevis Reformation Party, the Nevis-based arm of the Coalition PAM-NRP Government, on Monday pulled off a smashing victory at the polls to capture all five (5) seats in the first-ever elections to the Nevis Island Assembly.

The Nevis law-making body comes into being with the introduction of the new Constitution upon INDEPENDENCE on September 19, but a special Order in Council under the hand of Her Majesty the Queen authorized the holding of the elections before Independence, so that it could be determined by INDEPENDENCE Day who commanded the necessary majority of elected members to be appointed Premier of the island of Nevis. The Nevis Premier is scheduled to be sworn in on the afternoon of Monday September 19 in Charlestown, following the swearing-in of the Prime Minister of the State of St. Kitts and Nevis earlier in the day.

The Nevis Island Assembly and the Nevis Island Administration are the two most novel features of the incoming Constitution, which was duly approved by the St. Kitts-Nevis House of Assembly, and the British House of Commons and House of Lords after a successful Constitutional Conference was held in London, England last December.

By virtue of being the Leader of the all-conquering N.R.P., the Honourable Simeon Daniel is now Premier-designate of Nevis, and his elected colleagues are respectively the Honourable Ivor Stevens, the Honourable Ural Swanston, and Messrs Arthur Evelyn and Levi Morton. A complete report and analysis of these dramatic local elections are published on Page 3 of this issue.

CSO: 3298/029

## PAPER RAPS HYPOCRISY OF LABOUR PARTY POSITIONS

Basseterre THE DEMOCRAT in English 3 Sep 83 p 12

[Text] In a face-saving "Special Conference" obviously intended to salvage the debris of the Opposition's wrecked plans to "take any risk" to remove the Government without elections, the Labour Party forced itself to EAT ITS OWN WORDS on a number of its "policy positions."

So they have fallen back once more on their worn-out ploy of fooling their supporters into thinking yet again that general elections are "around the corner". The "Labour Spokesman" for Wednesday purports to report on some of the proceedings at this "Special Conference," but significantly no where in the newspaper is there any statement of the main reason for calling the Conference. It is simply a "Special" Conference, and it did this, and this, and that.

But all over their newspaper one sees these captions which bear a remarkable resemblance to electioneering slogans. In other words, take their supporters' minds off the staggering failures and setback sustained by Labour, convince them (for the tenth or twelfth time) that Labour will get another bite at the cherry soon, cook up a "new Constitution" to make your demoralised hangers-on think you are making a "fresh start" and most important of all, drop some of the unpopular postures that have been alienating your hard-core followers.

Even against this understandable background to Labour's window-dressing propaganda effort, the general public is ASTONISHED and INSULTED by the massive deception involved in Labour's transparent game of expediency. They call for a boycott of Independence Celebrations when the first Independence Celebrations Committee in this country was appointed by Labour. When Lee Moore was Premier, he happily went off to take part in the Independence Celebrations of St. Vincent and the Grenadines. But now Prime Minister Cato must leave St. Vincent and come here to find the same Lee Moore "boycotting" his own country's Independence Celebrations. Labour now demands a Government for St. Kitts but refused to consider any such thing for Anguilla or Nevis.

Labour will stop political idsmisals but it was the same Lee Moore who said after the 1971 elections "What we in the Labour Party are committed to is that those who would obstruct, those who could get in the way of progress, those who would hinder your business have got to be removed out of the way.

And you got to understand that ain't no joke. Those who have ears to hear, let them hear and those who do not wish to work with the government of the day, let them resign now; because any time they are found sabotaging, working against the government, refusing to do their work, Constitution or no damn Constitution, out they go!"

And most dishonestly of all, the Labour Party that denounced the PAM/NRP abolition of income tax as favouring the "haves" against the "have-nots" and being designed to take an unfair advantage of the poor man in this country is EATING ITS WORDS and promising all and sundry, even the disadvantaged poor man, that it would never re-introduce income tax. WHAT DIS-HONESTY!!!!!!!!!!

CSO: 3298/029

## SIMMONDS RAISES NATIONAL BANK ISSUE IN PARLIAMENT

Basseterre THE DEMOCRAT in English 27 Aug 83 p 12

[Text] At a meeting of the House of Assembly on Wednesday of this week, six Bills were passed into Law. They were:-

- (1) THE VEHICLES & ROAD TRAFFIC ORDINANCE (AMENDMENT) ACT 1983 - This Bill seeks to provide for the punishment of motor vehicle and road traffic offenders without the necessity for a court appearance.
- (2) THE LAW REFORM (MISCELLANEOUS AMENDMENT) ACT 1983 - This is to amend several pieces of legislation such as The Firearms Act, Police Act, Weights & Measures Act, Insurance Act, Companies Act and The West Indies Associated States Supreme Act. This last act is amended to admit nationals qualifying a Commonwealth Countries such as Canada and satisfying certain requirements, to practise as Barristers in St. Kitts-Nevis.
- (3) THE STATUTES AMENDMENT ACT 1983 which seeks to change the word "Governor" to "Governor General" and it also recognises the establishment of a National Assembly to replace the House of Assembly after Independence.
- (4) THE SUPPLEMENTARY APPROPRIATION 1982 ACT, 1983 - which seeks to authorise the disbursement of funds over and above the Budget Estimates for 1982.
- (5) THE SUGAR LEVY ACT -which seeks to exempt the S.S.M.C. from a Sugar Levy in respect of Sugar produced in the years 1982 and 1983.
- (6) THE AGE OF MAJORITY ACT - to reduce the age of majority from 21 years to 18.

At one stage of the debate, the Honourable Premier Dr. Kennedy Simmonds rose to address the House on certain things the Labour Opposition members said about National Bank. Premier Simmonds argued strongly that his Government was continuing to tidy up the National Bank issue and was determined to completely normalise the structure of the locally owned Bank.

Premier Simmonds spoke of the strength and progress of National Bank in spite of the Opposition's destructive efforts and he flayed the Opposition for encouraging their supporters to draw their money off National Bank and take it to Bank of Commerce which collapsed soon after.

There were some howls of protests at this stage from the Opposition bench, about the accuracy of when the Opposition actually recommended Bank of Commerce as a vehicle for their supporters savings. After a pause to hear their response the Premier continued to hammer on the fact that they did call on their supporters to draw their money off National Bank - to which they nodded their agreement. The Opposition members also shamelessly nodded in agreement and some said "Yes" when Premier Simmonds accused them, of actually trying to mash up National Bank.

The Democrat has learnt that many Labour Supporters throughout St. Kitts were stunned when they heard that their leaders admitted committing such a dastardly act, which has caused many of them to have to queue night after night; in front of the Bank of Commerce, to get a few dollars from their hard earned savings, which previously were safe and sound at National Bank.

CSO: 3298/029

## NATIONAL COMMERCIAL BANK REGISTERS ITS FIRST \$1 MILLION

Castries THE VOICE in English 14 Sep 83 p 1

[Text]

THE 20-month-old National Commercial Bank (NCB) of St Lucia has made its first million dollars.

That's what NCB Chairman George Theophilus told directors at the Bank's annual general meeting on Monday afternoon. He described 1982 an "another year of achievement and growth", adding that the Bank had been of immense service to the small business sector, and their ready response to and active use of the facilities of the Bank spoke loudly of the origins and bases of patriotism in St Lucia.

Theophilus reported that in its second year of operation, the NCB had made its first million, "a feat remarkable not so much because of its magnitude but more significantly in terms of vistas of future prospects and possibilities".

He told the meeting: "While the performance of a truly indigenous institution must not be measured strictly within the context of the hallowed bottom line of free enterprise, yet in a particularly difficult year characterised by major liquidity constraints, a general credit squeeze and phenomenal pressures on the Bank to respond to the unsatisfied demand for credit elsewhere in the system, the profit criterion of performance measurement takes on a dimension of credibility".

According to Theophilus, the total income of the Bank in the 1982 financial year was \$3.68 million compared with \$1.58 million in 1981.

Interest and administrative expenses in 1982 doubled to \$2.7 million while the Bank made a profit of more than 450 percent — \$210,000 in 1981 and \$1.16 million last year.

After provision for bad debts and income tax, the net distributable profit of the Bank was \$363,996 last year.

Theophilus said that the growth of the deposit liabilities and assets of the Bank "in a period of economic stringency", was also noteworthy, adding that overall deposits rose from \$14.7 million



to \$23.4 million while assets also increased from \$21 million to \$31 million.

Theophilus complimented the Bank's staff and management, as well as the public for "these visible and startling indices of growth". He said: "The public must also be complimented for the confidence, trust, and faith reposed in this fledgling institution. Hopefully, it suggests that St Lucians are gradually outgrowing the tendency to denigrate and undermine their own institutions".

He said the Directors had continued to direct the policies of the Bank so as to foster its indigenous character and enable it to fulfil its national purpose.

Ultimately, Theophilus added, this effort would only be successful if there was an equal degree of public and private sector commitment to and goodwill for the Bank.

He said that as the St Lucia economy regained its buoyancy, the Bank's credit resources should rapidly increase.

"The speed of national economic recovery will be determined not merely by the shrewdness, timeliness and relevance of domestic economic policy, but largely by the pace of international economic recovery and particularly by the fate of the U.S., Canadian, British and CARICOM economies. Indications are that the global recession has reached its nadir and that most of the advanced nations are gearing themselves for a phase of economic expansion. That augurs well for the economy of St Lucia and the outlook for NCB", he said.

Director of Finance and Planning Mr Dwight Venner, speaking on behalf of the shareholders, said he was pleased to see that the Bank had done exceedingly well in its second year.

He said the NCB had once again demonstrated that it had become a permanent feature of St Lucia's financial landscape. In a year that had been marked by severe economic circumstances, he said, the Bank had gone on from strength to strength.

The figures presented by Theophilus, he said, was testimony that the NCB had made its mark in St Lucia, adding that the acceptance of the bank by the public and the other financial institutions was "unquestionable".

Above, NCB Directors at Monday's meeting.

CSO: 3298/030

## VOICE VERSION OF SLP ACTION NAMING CENAC LEADER

Castries THE VOICE in English 31 Aug 83 p 1

[Text]

THE annual conference of delegates of the St Lucia Labour Party at Vieux Fort last Sunday was marred by one ugly incident, which however, failed to overshadow what was for the most part a very successful day.

It occurred during the closed session when attempts by supporters of Peter Josie and Remy Lesmond to amend the party's constitution which would have allowed Mr Josie to contest for the party leadership fell through. The amendment called for the political leader to be elected from among the general membership.

It was a move which paved the way for Leader of the Opposition Neville Cenac to assume control of the party's leadership without any difficulty.

## REJECTION

But the rejection of the resolution to amend the constitution did not find favour with the

delegates and its proponents - who moved in and withdrew their public address system which was being used by the conference all day, and left the hall.

There were also some wild threats from that section, but no serious incident.

Mr Josie thus lost his bid for control of the party. In fact what emerged was an executive loaded with conservatives of the "old guard" and a major defeat for the party's progressives, although Josie, Lesmond, Cecil Lay and others will remain on the Central Executive by virtue of being party candidates in the last elections.

The new executive reads: Neville Cenac (political leader); Kenneth Foster (deputy political leader); Charles Augustin (Chairman); Julian Hunte (Vice Chairman); Leroy Butcher (second vice chairman); Evans Calderon (secretary); Hilary Modeste (public relations officer); Mrs Daphney Murray (Treasurer) and Ellis Edward (assistant secretary).

## PACKED

The convention was well attended by all the 17 constituency branches, and the Vieux Fort Junior Secondary School hall was packed to capacity right through the opening session. Around the building well wishers and sympathisers mingled around listening to the addresses of what was to have been the Labour Party's first serious attempt at rebuilding following its problems of recent years.

Guest speaker Lennard St Hill delivered the first major address using the theme of national unity. He also left with the party a number of important suggestions. One of these was for the preparation of a party programme as soon as possible to be taken to the electorate.

When followed the address of Mr Josie who was chosen to lead the SLP in the May 1982 elections, mere months after the party had been forced out of power.

He reiterated his intention to abide by the wishes of the convention. He touched on the Libyan issue, criticised the performance of the ruling United Workers' Party Government and covered regional and international issues ranging from the Iran-Iraq war to events in Chad.

Josie urged the SLP to begin to organise to wrest control of the Micoud seats from the UWP in the next elections. He said: "The fact that there are young men and women from Desruisseaux and the village of Micoud who are prepared to openly identify with the St Lucia Labour Party so soon after a general election is ample testimony to the need which we all feel about unseating the Flambeaus in Micoud".

Cenac referred to the leadership problems within the party over the years beginning in the early 1960's and concluded that he believed the SLP was the only party, perhaps in the world that was committed to self-destruction. He also

criticised the Government's performance and accused it of victimisation.

Cecil Lay, leader of the Josie faction before the convention, also addressed the gathering.

Cenac told "THE VOICE" yesterday he believed that with the convention over, the party must examine carefully what it stands for, "whether it stands for God or the devil".

He referred to St Hill's address which he termed "thought provoking" and said he believed every Government in the world should look at its contents. The party's new executive, Cenac said, would sit down to debate the address and take it to the public.

Cenac also promised that the SLP would be "a very disciplined party" from now on.

Josie said that he did not intend to continue agitating for the leadership. "I intend to remain in the SLP and work to restore its image in preparation for the next election whenever that is".

CSO: 3298/030

## REPORTS ON SPEECHES MADE TO ANNUAL SLP CONVENTION

## Guest Speakers' Address

Castries THE VOICE in English 31 Aug 83 p 2

[Text]

ST. LUCIA-born, Barbados-based town planner Lennard St. Hill last Sunday called on the St. Lucia Labour Party to strive for national unity by justice and peaceful means.

St. Hill, who was guest speaker at the SLP conference at Vieux Fort, told the delegates that he had come not to wallow in a catalogue of mistakes of the past but to lift the party's gaze "to a vision of brighter prospects for St. Lucia in the name of national unity."

Without referring to the ruling United Workers party by name, St. Hill lamented the fact that the concept of national unity which was after heard in the dying days of the last SLP administration "seems to be heard no more."

He declared: "The expression national unity has detractors, who preach integration abroad and practice division, long division at home. Nowhere is their focus national unity. It is always self-aggrandisement."

He added: "Strange isn't it how prosperity doth best discover vice but adversity doth best discover virtue. All that a man professes in dire distress, (he) seldom honours in subsequent good fortune."

"The challenge of our fortune is the challenge of making democracy work through national sovereignty for all of St. Lucia, not a part of it. This nation cannot long endure half-rich and half-poor in opportunity. A house divided against itself cannot stand if it is to our common purpose to live

in peace and unity and justice for all, then we must be prepared to resolve differences of opinion by majority decision with equity for them minority in every case. And we must be prepared to reach resolutions without the use of violence in any form."

St. Hill noted that at the moment the SLP was not in power. But he said it had the opportunity to do "a most necessary public duty" by setting about a review of all those facets of Government which ought to be brought to public notice for improvement in the light of the continuous change which national progress entailed.

He added: "In such an exercise, it can dispassionately prepare a comprehensive manifesto containing a programme of priorities for action. This should be placed

before the electorate not in an indigestible lump on the eve of election day but as early as possible in regular dissertation indicating in clear terms what the party stands for and how it hopes to achieve its goals."

St. Hill referred to the SLP as "the great grand mother" of all political parties in St. Lucia and said it was fitting that tribute should be paid to the memory of its founders and all who had supported them in those positive achievements in the representation of St. Lucians first through universal adult suffrage "and those other accomplishments which stand out as an indelible record of the St. Lucia Labour Party."

He said: "Such a record constitutes a record in freedom without which the superstructure of our recently-attained independence could never have been contemplated."

It was in the cause of national unity, he said, that he had, as a non partisan in politics accepted the party's invitation to address the conference "to give you the moral support of a St. Lucian whose vision you profess to admire....."

But he said it would be wrong

to interpret his acceptance of the invitation as a conversion from his established view and attitude "to certain forms of partisan politics in the development of communities such as ours."

St. Hill declared: "I do not belong to a political party because I do not believe that in our stage of development the issues which challenge our freedom as individuals and our independence as a nation can be solved by inflexible doctrine devoid of any real support save selfish ambition and deviously divisive greed."

He advocated that in the drive for national unity there should be a national congress of all the political parties which would make it possible for the ground rules to be laid by which St. Lucia's democracy can be made to work.

St. Hill in a ten-point plan which he left with the conference also called for the separation of the executive from the legislature which, he said, should allow a free hand in the appointment of persons who are fit and proper to be made Ministers.

At left, Mr. St. Hill addressing the Conference at Vieux Fort.

#### Cenac's Prevote Remarks

Castries THE VOICE in English 31 Aug 83 p 2

[Text]

PARLIAMENTARY Opposition Leader Neville Cenac told last Sunday's annual conference of the St Lucia Labour Party that the SLP was the only party in the world which was committed to destroying its leaders.

And Cenac said that this had been done in the past not by better performance by opponents "but by slander, machination and intrigue and by plotting around every street corner".

Cenac, who was later endorsed as political leader, declared: "Those who forget the past are condemned to re-live it and we must look at the past in order to carve the future".

Tracing the SLP's leadership problems over the years, he added: "So George Charles was destroyed by John Compton because of a leadership struggle and when Kenneth Foster came in, 'Foster must go'; and when Allan Louisy came in 'Louisy must go'.

'As a matter of fact the very night when everybody was so jubilant (when the SLP won the 1979 general elections), that we were free at last, the first words that were being whispered: 'We must get Allan (Louisy) out'. As soon as I win a little seat (in the 1982 elections) after being in politics for 16 years: 'Cenac must be out'."

Cenac added: "When you have a government of the Labour Party, you do not pass it on to anybody. Whether Allan Louisy is good, bad or indifferent, you do not throw Allan Louisy out and put UWP in."

He noted that in 1979, the SLP had won 12 seats and did not lose a single deposit. But in 1982, "because of our stupidity", the SLP, which had got 25,000 votes in 1979, received 13,000, won two seats and lost nine deposits. He added: "These are the facts that we must look at and we must ask ourselves why".

In the Castries area, he said, where there were 29,000-registered voters in five constituencies, the SLP in 1982 received 809 votes after receiving 11,000 in 1979.

Cenac referred to the fall of the Labour Government in January last year when his brother, Winston, was Prime Minister and told the convention: "I know of some people fighting for

power who said: 'Cenac should be shot'".

He asked: "How can you hold on to a government in the Castries area when you have 809 people supporting you out of 40,000?"

Cenac also criticised the present Government accusing it of imposing more taxes in the past nine months than the SLP had done in two and a half years. He also accused it of victimising people including former Governor

General Boswell Williams and former Public Relations Officer Joe Cox.

He admitted that the SLP had a very difficult task ahead, one he said which could not be glossed over.

The conference, he said was one at which party members had gathered "to reckon with reality and to find lessons".

He said he had never claimed to be a great leader and criticised people who, he said, were just appearing in politics for two, three and four years and pretending to know it all.

#### Josie on Rule Changes

Castries THE VOICE in English 31 Aug 83 p 3

[Text]

**FORMER Labour Party leader Peter Josie last Sunday urged delegates at the party's convention at Vieux Fort that if there were any laws standing in their way they should remove them.**

Mr. Josie was speaking at the opening session of the day-long convention as he made his bid for the party leadership.

Referring obviously to the clause in the party's constitution which stipulates that the SLP political leader and the Parliamentary Leader of the Opposition should be one and the same person, Josie declared:

"The only laws we cannot change are those handed down to Moses for the salvation of our souls. All man made laws are subject to change... let us not be intimidated by the rules. The party rules ought to be designed to strengthen the party and lead it to the seat of government."

Josie said that whatever the outcome of the results of the convention, members must all agree to unite to bring victory to the SLP. He called on "all who profess a belief in democracy" to respect the outcome of the convention.

He said that the major cause of many of the party's problems in the past had revolved around the question of who should lead, adding: "I, for one, am of the view that it is time we solve this problem once and for all."

He listed six qualities which, he said, delegates should look for in their leader. These were: Loyalty, courage, understanding of local and foreign events of a political nature, honesty, vision and faith in god.

Josie advised the delegates: "Choose wisely and if there is a law in your way, don't be fooled. The highest authority of the party is yourself, the delegates to the annual conference of the party."

Referring to the SLP's troubles of recent years, Josie said that the party and the working class people of St. Lucia had been through and profound misfortune.

But, he added, the conference "must attempt to reverse the wave of tragedy."

He suggested that there were at least two fundamental weaknesses in the party. The first was its "weak and outmoded structure" that showed no linkages with the machinery of government nor assured accountability of party officials to the general membership. The second was a lack of consultation among party leaders and between the executive and the rank and file.

Referring to the reasons which forced the demise of the SLP Government early last year, Josie said within the party's leadership there had been differences in ideology and perception of the problems of St. Lucia long before the 1979 elections when the SLP was swept into power.

He also touched on the

1982 elections, pointing out that during the campaign no clause (in the party's constitution) had been invoked "to stand in the way of the only person who was then capable of leading the rearguard action in the battlefield against the full and brutal forces of the Progressive Labour Party and the often aggressive, vicious and cunning battalion of the UWP."

Josie added: "I use military jargon because what some of us went through in 1982 election campaign was nothing short of war, and Peter Josie was chosen to lead that battle on behalf of the St. Lucia Labour Party."

He added: "We were beaten but not disgraced. We came out of the election with our honour intact. Our platform was of the highest quality. We were the only party to discuss issues, and it was an education for all St. Lucians to witness."

#### Blast at Odlum

Castries THE VOICE in English 31 Aug 83 p 3

[Text]

MR PETER JOSIE last Sunday fired a salvo at his former colleague, George Odlum, now leader of the Progressive Labour Party (PLP) over the "Libyan affair".

Addressing last Sunday's Conference of the SLP, Josie took time off to speak about the recent alleged recruitment of a group of St Lucians by the PLP for training in Libya. The Government claims that the group had been recruited for training in terrorism and sabotage, a charge that the PLP has denied.

Josie said that from all available information it was now clear that the PLP as a political organisation never knew of the arrangements to send the group to Libya. He declared: "The secret selection of those who were to travel to Paris and Tripoli was the work of one man and one man only. And that man is George Odlum".

Josie referred to Odum, with whom he had been involved in politics for over a decade before they parted company in 1981, as "a Frankenstein which all Labour supporters helped to create and whose destruction we must now see as part of our responsibilities and obligations to this beautiful land of ours".

Josie said that after the 1982 elections, Odum had used his friendship with government officials in Grenada to make a hasty journey to Libya.

He added: "Odum has been an embarrassment to Grenada ever since. You see, he could not trick Fidel Castro who supports only progressive organisations, so he tried Gaddafi who is halfway round the world. Odum told Gaddafi that the last elections held here in St Lucia on May 2, 1982 were rigged and that the American C.I.A. helped Compton to get into power by fraud. He told Gaddafi that only a revolution could now remove Compton from power and liberate the people of St Lucia".

Josie said that the theme of the last PLP annual conference "Organise for liberation" was "carefully chosen to reflect Odum's apparent sincerity to Gaddafi. But in time Colonel Gaddafi will learn that Odum is not interested in any revolu-

tion and even some of the recruits whose passports were confiscated by the police, he said, "were only interested in the U.S. dollars which they believe that Gaddafi gives freely to all Toms, Dicks and Harrys".

Josie said that one's aim does not necessarily have to be the violent overthrow of a Government to secure the support of Libya. He added: "It was only when Odum assured the Libyan authorities that the United States had virtually put Compton into power and that there was no way out, that Colonel Gaddafi must have agreed to support Odum. And Libya supported Odum because it believed that Odum represented the majority of the people of St Lucia".

But Josie felt that the Libyan affair was being used as a smoke-screen to cover "the inefficiency and shortcomings" of the present government.

Of all the Ministries, he said, only that of Communications and Works seemed to be doing some work on the island's main roads. He quoted "a Junior Minister" in the Government as saying that Ministers had given up the will to try and added: "When a Government has given up even the will to try, the people should ensure that this Government is removed from office as speedily as possible".

CSO: 3298/030



## BRIEFS

EJECTION OF ENGLAND--Englishman David England, his wife and two children left here on Sunday for St Maarten, two days after the Government had formally declared them prohibited immigrants. England, who operates Noah's Arkade, has been implicated by the Government in the alleged recruitment of a party of St Lucians for training in sabotage and terrorism in Libya. Late July, Prime Minister John Compton publicly announced that England should either leave the country voluntarily or face deportation. England has protested his innocence in the Libyan affair but the Government said that his name had been found on telex messages dealing with the affair. Comptom told Parliament last month that had England decided to leave the country voluntarily he would have been allowed to return to wind up his business, but if he refused he would be declared a prohibited immigrant in which case he would never be permitted to return. [Text] [Castries THE VOICE in English 14 Sep 83 p 1]

CSO: 3298/030

## CENTRAL LEEWARD BY-ELECTION WON BY LABOUR CANDIDATE

## Run-down on Candidates

Kingstown THE VINCENTIAN in English 2 Sep 83 pp 1, 12

[Article by Zan Lewis]

[Text]

Only nine more days to go before the two thousand nine hundred and sixty registered voters in the Central Leeward Constituency will select a candidate from either the NDP:SNM or the SVLP to represent them.

The question is, how many of them know the plans and policies of each candidate together with their ability before they go to the polls on September 12th.

The Vincentian in an effort to bring to the people, especially in that constituency attempted to interview each candidate.

## NDP'S CANDIDATE HERBERT YOUNG

The New Democratic Party candidate Herbert Fraser Young was born in Layou and received his Primary education at the Layou Government School and his Secondary education at the St. Martins Secondary School.

Leaving school he was employed as a teacher at the Buccament Primary School and later the Layou Government School. After teaching Herbie, as he is often called, migrated to England and was employed as an Administrative Assistant in the Schools Examination Department Overseas Section of the University of London. He returned in 1974 and got a temporary job in the advertisement department of the St. Vincent Philatelic Bureau. Later, he joined the civil service and worked in the Magistrate's Office before he was transferred as steward at the Kingstown General Hospital. Herbie last worked civil service job was at the Ministry of Communications and Works. He resigned on June 10th and entered the political arena.

If there was not a bye-election, Mr Young noted, that he would not have resigned so soon but the circumstances and the urgency of the situation made his early resignation imperative.

In addition to his work programme the NDP candidate is involved in sporting activities in the Central Leeward constituency, particularly

in Layou. He also participates in many other social aspects of life in the community.

With regard to his contribution to the people of Layou, Herbie noted that he had made an impact on sporting developments including the organising of schools competition when he was a teacher in that area.

He also talked of his association with the Gladiators, the first ever Social and Cultural Club in Layou which held many clean up campaigns in the town.

Herbie is confident that his chances in bye-election excellent. The people he said have seen the need for a change. Asked to name the area where he thinks he has greatest support, Mr Young noted that the support in all the areas is very good thus making it difficult to pin point any particular area. He considers the SVLP's candidate Ms Valcina Ash to be his main opponent.

In relation to plans for development in the Central Leeward constituency if he is selected

Mr Young noted especially the Development of the Black Fish Industry in Barrouallie. He said that the people of Central Leeward have been starved of representation by the Labour Party. It's his intention he said, to ensure that the people get meaningful representation. Also, it is his intention to create a new era of politics in that constituency where the people will have a say and be able to name their priorities so that they can be worked upon.

Young noted that the biggest problem in the constituency is unemployment. There is need to bring the jobs to the people and to motivate the people in the community to create self employment.

He considered the housing situation as deplorable. He emphasised the need for a proper housing scheme in Buccament, Layou and Barrouallie.

With regard to education, the NDP candidate stressed the need for

technical training, apart from academic education, in which people are often unable to get jobs when they leave school.

In relation to the problem of the splitting of votes between the NDP and the SNM, which will make his task a bit harder, Mr Young had to comment.

## SNM'S CANDIDATE EGERTON RICHARDS

Mr Egerton Mc Lean Richards, known to most people as Uncle Metro was born in Layou.

In relation his contribution to the people of Layou, Mr Richards noted that it is not his philosophy to do things for any particular area but the total development of the country.

He said that he was the first Vincentian to have started a local Insurance Company which is at the moment serving 80 percent of the local motor market. He is also the first to have owned an Oil Terminal, called West Indies Oil Company. The Labour Party he claimed killed it and allowed the tanks to be sold to St. Lucia. He also mentioned being the first person to have undertaken large scale cow's milk production. This he said paved the way for our Diamond Dairy plant. Eggie considers himself to be the first farmer to have mixed and marketed animal feeds, before the birth of the East Caribbean Flour Mills, and the first to have marketed a detergent from chemical substances which are available locally.

Uncle Metro besides being a business man is a writer and recently produced a booklet on 'Motor Insurance Hints'.

Asked about his plans for development if chosen by the people, Mr. Richards stressed that he has pledged to the people of the Central Leeward constituency written pamphlet regarding his areas of development.

He reiterated his pledge to give his entire parliamentary salary of 1,500 dollars a month to be passed on to a committee called the Central Leeward Development committee. This committee he said, will be

responsible for discharging that money to deserving cases such as to parents whose children have passed the Common Entrance Examination but are unable to buy books and to pay school fees; as well as to people who are living in bad housing conditions and to sports men who are unemployed.

Mr. Richards also noted, that, his first priority if selected would be to set up a Solar Energy Drying house for the drying of black fish in the Barrouallie area. Thereby, reducing the incidents of contamination. It's also his intention to promote the marketing of the black fish oil and the Barrouallie lamp oil. He also outlined that it is his intention to encourage investors to set up a kiln for the production of cheap blocks from clay which he said can last a number of years.

Uncle Metro also sees the possibility of exporting cement blocks to Trinidad using Barrouallie as the port of exit. He also envisages having the rocky areas of Barrouallie blasted down, and the setting up of a stone crusher and a large block making industry using our cheap labour.

In terms of his chances in the upcoming bye-election, Uncle Metro noted that he feels just as confident as any other candidate. His con-

fidence, he said is strengthened because of the fact that his supporters are not the ones who are "jumping on the streets and making noise." He has "great confidence in Layou and noted the great responses which he and his party are receiving in his home town.

Mr Richards said that he rather not say who he considers to be his main opponent because the political barometer is swinging from one side to the other. He said that he is more concerned about his victory.

He considers the people's response to his meetings heartening. He pointed out that there have never been any incident of disrespect at his meetings.

As regards to his chances in areas other than Layou the candidate noted that their unpredictability in that the silence of the majority is what will baffle any true political analyst. One cannot judge the outcome by the few people planted on the roadside.

Mr Richards noted that he does not believe in the distribution of jerseys, the painting of roads and the giving of money to encourage people to vote for them.

He said that he intends to mount a massive campaign the last week before the election.

#### SVLP'S CANDIDATE VALCINA ASH

When Ms Ash was contacted about two weeks before, she said that she had to ask her party for permission to speak to The Vincentian before she got back to me. Earlier this week she was again contacted.

She stated that I would have to show my questions to Mr Hendricks Alexander who is the Public Relations Officer of the Labour Party.

An attempt was made to see Mr Alexander, but he was not in office.

The Vincentian spoke to Mr Duff Walker James who said that it was he who is Public Relations Officer, and not Mr Alexander. Anyway, Mr James said that "it's not the Labour Party policy to give information to The Vincentian" which he said is a "biased paper." The Labour Party he said has The Star if publicity for Ms Ash is needed.

This reporter then went and spoke to Ms Ash in Barrouallie, but the reaction was negative from both her and someone else who seemed to be her bodyguard. She said that she has "got enough publicity" and she has The Star if she needs publicity. She also mentioned that the people already know who she is and such an interview is worthless.

#### Analysis of Stakes

Kingston THE VINCENTIAN in English 2 Sep 83 p 2

[Article by Ken Johr: "Central Leeward of Central Importance"]

[Text] I do not agree with Ralph Gonsalves that this is just another run-of-the mill election, a mere episode in the continuing saga of Vincentian politics. The Central Leeward by-election is crucial for the following reasons.

Firstly, if Labour loses, or suffers a moral defeat by a narrow win in one of its strongholds, all hell could break loose. The myth of Labour's invincibility would have gone up in smoke, or been reduced to ashes. And many disenchanted persons who still hitch their fortunes to the Star would begin to re-think their position, and consider the alternative. As I wrote before, we could have a mini-domino theory in operation, and other Labour Party "bastions" could be shaken.

Secondly, if the N.D.P. wins or comes in a good second with U.P.M. as a running-mate so to speak, Opposition politics would have taken a great leap forward. The N.D.P. would be in a confident enough situation to be graceful and generous in any "cooperation" talks with its junior partner and something meaningful could emerge.

It is just conceivable that S.N.M. and M.N.U. might be persuaded to join in a general Opposition get-together, in which case St Vincent would be assured of a change of Government the next time around.

If, on the other hand, the S.N.M. performs creditably even without coming in first or second, Opposition disunity would persist for a considerable period

for the simple reason that the issue would still be unresolved among [words indistinct] as to which is the dominant Opposition force--S.N.M. or N.D.P.? Dr Cordice knows that S.N.M. is more popular on the Windward Coast and a reasonable showing in Central Leeward is all that he needs to encourage him to soldier on in the belief that his party would eventually "make it." A respectable performance by the S.N.M. could also strengthen the hands of the MNU which has not opposed them in this by-election. The opposition could then be finely balanced - N.D.P. and U.P.M. versus S.N.M. plus M.N.U. to the decided advantage of Labour!

Fourthly, if Labour wins convincingly as in the past, or even just comfortable, "crappo smoke Opposition pipe." The country would be confirmed in its belief that Labour is here to stay, and would want to identify with the ruling group for reasons that are all too obvious. Even Labour's internal problems which would surface if the party were truly challenged, would evaporate in the sunlight of a smashing Central Leeward victory. In the result, Labourites might grow even more arrogant and repressive forcing the real opposition to them to take to the streets.

That MNU has for its own reasons chosen not to play an important role in this by-election does not by itself reduce the election to one without immense significance for this country. I beg to differ, dear Ralph.

#### Ash Victory

Kingston THE DAILY GLEANER in English 17 Sep 83 p 27

[Text]

KINGSTOWN, Sept 16,

Two Vincentians, Valcina Ash and Stanley K. John, have taken new seats in Parliament in St Vincent and the Grenadines.

Mrs Ash, a 44-year-old businesswoman who won last Monday's by-election in the Central Leeward constituency, has replaced the late A. T. Woods as the 10th elected Member of Parliament of the ruling St Vincent Labour Party (SVLP), while Mr John, a

33-year-old barrister, replaces Mrs. Ash as one of four Government Senators.

Mrs Ash had been a Senator since 1979 but resigned last month to contest the by-election in which she narrowly defeated the New Democratic Party's Herbert Young by 65 votes.

Mr John is an executive member of the ruling St Vincent Labour Party headed by Prime Minister Milton Cato. (CANA)

CSO: 3298/031

ONR HAILS GOVERNMENT DECISION TO WITHDRAW CONTRACT WITH KOREANS

Port-of-Spain TRINIDAD GUARDIAN in English 2 Sep 83 p 1

[Text] THE ORGANISATION for National Reconstruction (ONR) has welcomed the decision of Government not to award a contract to a South Korean firm for construction of apartment houses.

Mr. Clive Pantin, the first vice chairman of the party, said yesterday while they were disappointed overall with the message given by Prime Minister George Chambers in his Independence Day address, he was glad that Government "accepted our advice and strong recommendation not to sign the contract."

He described the situation as "lack of confidence in his Minister of Housing."

Mr. Pantin was speaking in the absence of the party's political leader, Mr. Karl Hudson-Phillips, who is out of the country at the present time.

Mr. Pantin said yesterday: "We found initially that even the thought of awarding the contract to the Koreans signified a lack of sensitivity towards the people's feelings about corruption, especially in the light of the contract awarded on the racing complex."

Relating to the Prime Minister's comments on ISCOTT, Mr. Pantin said: "It merely confirms our worst fears for he himself admitted that over the last 20 months or so ISCOTT lost more than 1450 million.

"The fact that he mentioned that there was wild speculation as to the amount lost is also an indication of the wild speculation that occurs when a government is not honest with its peoples. ISCOTT will continue to be a severe drain on the limited resources of our country," he said.

Commenting on the Prime Minister's statement on foreign exchange, Mr. Pantin said that the referrals to foreign exchange for education and health raised the question as to why people would want to spend that money for medical treatment and education overseas.

"The reason, we surmise, is that they do not have any confidence in the medical and educational facilities of the country."

Mr. Pantin said, too, that they welcomed the CBI arrangements and the possibility of an export thrust into the American market, "but we wonder how significant our thrust will be because of a lack of a positive export policy.

'Little Appeal'

"I do not believe that at this moment our manufacturing sector has much to offer the American market and we fear that the cost of manufacturing in Trinidad and Tobago will be a great deal higher than that of the other countries of the region."

Mr. Pantin said that it would be found that the Trinidad and Tobago manufactured goods would have little appeal on the American market.

Drawing attention to the Prime Ministers' call for restraint, Mr. Pantin said: "We are of the opinion that the lack of dialogue between the Government and the people will cause people to look at this restraint with great suspicion."

He said: "Twenty months ago when we called on the Government to level with the people and to let them understand the seriousness of a downturn in the economy we were called prophets of doom.

"Now that these items have occurred and based on the Prime Minister's speech, we must now ask ourselves the question, Who are the real prophets of doom?"

CSO: 3298/009

## MINISTER DENIES REPORTS DOLLAR HAS BEEN DEVALUED

Port-of-Spain TRINIDAD GUARDIAN in English 24 Aug 83 p 3

[Text]

SENATOR Anthony Jacelon, Minister in the Ministry of Finance and Planning, yesterday denied reports that Trinidad and Tobago had devalued its dollar.

Senator Jacelon said that there was no tampering with the exchange rate of the Trinidad and Tobago dollar which is tied to the United States dollar.

He said that on the contrary the Trinidad and Tobago dollar could be considered as strengthened compared with other currencies in that while the Trinidad and Tobago dollar remained fixed with the US dollar, the other currencies fluctuated.

He said it was wrong to assume that because of the 20 per cent tax on some imported items the dollar was devalued. He explained the 20 per cent tax had to be brought in because pursuant to the budget speech when purchase tax was increased, some locally produced goods became non-competitive with some items coming from abroad.

He recalled that representations had been made by the Trinidad and Tobago Manufacturers Association to correct the situation and it was decided to increase the basis on which customs duties was calculated on some items.

The decision was taken to impose increased purchase tax on certain specific items, he said.

The budget speech he noted dealt only with locally produced items and what was done was to impose duty so that both would be at increased taxation.

He pointed out that if there was any devaluation all transactions with the outside world would be affected.

A devaluation would be general he said, and he emphasised that Trinidad and Tobago had not devalued its dollar.

A senior government official also pointed out yesterday that Trinidad and Tobago had not devalued its dollar.

Having a 20 per cent tax on a certain amount of goods did not mean devaluation, he pointed out.

## OAS MAY HELP TOBAGO WITH DEVELOPMENT OF TOURISM

## Tobago Assemblyman's Report

Port-of-Spain EXPRESS in English 24 Aug 83 p 20

[Text]

THE Tobago House of Assembly can go directly to the Organisation of American States for any technical assistance it may need. It does not have to go through the central government.

However, if a specific project or programme is worked out and it needs OAS funding then the Assembly will have to approach the Government to have the project assessed and included in the OAS budget for the

year.

This procedure for OAS assistance to the Assembly was made clear during a recent visit to the OAS office in Port of Spain by the Assembly's legal officer, Randolph Murray.

Murray has since reported to the Assembly that OAS technical assistance is available at no cost to the Assembly.

Such assistance has already been identified by Dr. J.D. Elder, Secretary For Education

and Culture in the Assembly, who attended a seminar on tourism sponsored by the OAS in Barbados, from July 18 to 22.

"OAS personnel," he reported on his return to Tobago, are very interested in finding ways whereby they can place at Tobago's disposal the services of the organisation — both consultative and financial."

## Direct Tobago-OAS Contacts

Port-of-Spain EXPRESS in English 5 Sep 83 p 3

[Text]

THE ORGANISATION of American States (OAS) has been identified as one of the sources from which Tobago can get financial and technical assistance in developing its tourist industry.

And according to Dr J.D. Elder, Secretary for Education and Culture at the Tobago House of Assembly, OAS personnel he met at a recent seminar in Barbados, "showed exceptional interest in Tobago and the effort she is making to

develop culture and tourism."

But Tobago cannot apply directly for such assistance. Such an application must be made by the Government of Trinidad and Tobago since this country is a member of the OAS.

Dr Elder has recommended that the Assembly takes the necessary steps to get the assistance in the form of training, funding, scholarships and consultancy services. But

will the central government go to the OAS on behalf of Tobago?

The Assembly, according to its chairman, Mr A.N.R. Robinson, has had at least one bitter experience in the past. "The Assembly," he explained, "had asked for assistance from the Caribbean Development Bank (CDB) for the setting up of its Planning Unit.

"This request," he said, "was turned down by Mr Frank Barsotti, Permanent Secretary in



the Ministry of Finance on the grounds that the government could supply such assistance."

Mr ANR Robinson said that in the case of the OAS, this country has been contributing to its various services but has so far not made much use of these services.

"With our present emphasis on the conservation of the environment, and the preservation of historical monuments and records, including archives, as well as the development of tourism, the OAS can be a very valuable source of assistance in these fields," argues Mr Robinson.

"Officials of the OAS has indicated to Dr Elder their willingness to contribute in every way

to the Tobago development thrust.

"However, this will require the sanction of the Central Government," went on Mr Robinson. "The question in the minds of members of the Assembly is, will the government pursue its present policy of obstruction?"

The OAS has invited Dr Elder, a social scientist, to deliver a paper at the Seminar on "Culture and the Tourism Product Development," it sponsored in Barbados from July 18 to 22 in a report on the Seminar, he has identified several sources of assistance which can be available to Tobago.

The Caribbean Tourism Research and Development Centre headquartered in Barbados, is one of these sources, he said. And at the moment, a Commonwealth Secretariat expert in ceramics, Mr Peter Cave, is in Barbados with the Industrial Development Corporation.

"Mr Cave has consented to come to Tobago to advise on the establishment of the

Tobago Ceramics Programme before he returns to England," said Dr Elder.

Another expert contacted by Dr Elder, and who is willing to come to Tobago in an advisory capacity, is Mr David C. Devenish, Director of the Barbados Museum.

As Dr Elder sees it, Mr Devenish can provide very useful advice in examining "the problems in Tobago on the Archive, the Folklore Museum and other contemplated developments, such as the Marine Museum and the Military Museum at Fort King George."

An OAS expert in Geriatrics, Dr Adelaide G. Farrah, was also approached by Dr Elder while he was in Barbados. And she has agreed to come to Tobago to advise the Assembly on the setting up of Homes for the Aged and rehabilitation programmes, he said.

## TAPIA HOUSE CALLS ON CHAMBERS TO DEBATE NATIONAL 'CRISIS'

## Constituent Assembly Proposal

Port-of-Spain SUNDAY EXPRESS in English 4 Sep 83 p 8

[Excerpts]

**TAPIA HOUSE** Movement has challenged Prime Minister George Chambers to follow his Independence Day speech calling for a curb on spending with a debate and consensus on economic and social policy by representatives of all the people — "the political parties, the trade unions, the business associations, the professional associations, the cultural, civic and religious associations."

"Such a constituent assembly must not be confused with a government-sponsored national consultation," said Michael Harris, chairman of Tapia House Movement, in a statement issued this weekend. "The government and the ruling party

must appear on an equal footing with all others before an independent chairman agreed on by consensus."

The sole agenda item of the assembly must be "the discussion and deliberation of the Demas Task Force report (for five-year economic planning), and the policies and programmes agreed on by the majority of the constituent assembly must be taken as national policy for the days ahead, Mr Harris says.

Agreeing with Chambers' criticism that we have continued to "consume conspicuously and to indulge in a fine taste for the most fashionable and highest quality goods and services," Tapia's statement adds:

"So as late as it comes, we must welcome Mr. Chambers' attempt at leadership and must urge him to go further. The times cry out for bold and visionary leadership and for the highest qualities of statesmanship.

"History has decreed that, for the moment, the instruments with which to forge bonds of national unity should lie in the hands of Mr. Chambers. There never has been a more splendid opportunity to achieve such a goal. And Mr. Chambers' responsibilities are clear. The only question is whether he can find within himself the wisdom, the courage and the largeness of spirit to assume fully the mantle of leadership and to call the nation together.

## Statement on Economic Crisis

Port-of-Spain TRINIDAD GUARDIAN in English 6 Sep 83 p 13

[Text]

**THE TAPIA House** Movement, has welcomed, "even though it comes at virtually the eleventh hour, the indication given by the Prime Minister's Independence Day statement, that the Government has at last acknowledged the necessity to be frank and honest with the population on the question of the tremendous

economic difficulties facing the country."

"We cannot but agree with the Prime Minister that our population has not been sufficiently conscious of the economic difficulties which we face" and that we, as a people, have continued to consume conspicuously and to indulge a fine taste for the most fashionable and highest quality goods and services, "according to Tapia Chairman Michael Harris.

A Tapia release said: It would have

been better, though perhaps too much to expect, if the Prime Minister had also acknowledged that much of the blame for that state of affairs must be laid at the doorstep of his Government and himself.

The economic crisis which our country now faces did not arise overnight. Ever since the decade of the eighties opened the signs of a progressive downturn and deterioration in our economic fortunes have been visible to all those trained to see them.

Since then the Government has been consistently urged by many, including Tapia, to take the steps necessary to protect the economy from the dire possibilities ahead, and as the first step in so doing, to fully, frankly and completely take the citizens into its confidence so that we would all have the information which would have convinced us beyond doubt of the need to exercise the kind of restraint for which the Prime Minister now calls.

Instead the Government, or certain of its spokesman at any rate, adopted the unfortunate attitude of condemning

the citizens who offered such advice as "prophets of doom and gloom" and continued to insist that all was well with the country, that no economic recession was in the offing and that we would in some miraculous way, be able to achieve a mystical "soft landing."

So deep is our country's economic crisis that we must insist that no attempt to extricate ourselves, whatever the technical policies and programmes adopted, can possibly succeed, unless and until they are implemented from a foundation of the total mobilisation of the energies, the enterprise and the commitment of all our peoples.

The point must be emphasised. The very survival of our nation is now at stake and in such conditions the only weapon of salvation is to be found in the united strength of our people, committed to this land and prepared to undertake the hardwork and the sacrifice involved in building it.

In this context we must compliment the Prime Minister for his call for us "to put a halt to the tendency to dissipate our resources and obvious energies, especially in arousing or perpetuating divisive antagonisms."

If the Prime Minister is serious about his new approach, if he is serious about his call for unity and for restraint then he must recognise that he cannot arbitrarily or unilaterally impose "stern measures" on the population. The people must be fully involved in the debate as to what sacrifices we will be asked to bear.

To this end Tapia calls upon the Prime Minister to call a constituent assembly of the nation to discuss and to agree upon the economic and social policies which we must take to free ourselves.

## SECURITY CONCERNS HIGH IN FACE OF RUMORS OF COUP PLOT

## Seizure of Ammunition

Port-of-Spain TRINIDAD GUARDIAN in English 30 Aug 83 p 3

[Text]

POLICE searched the home of a Chief Security Officer employed with a major industrial company in Central Trinidad and seized about 100 rounds of .45 ammunition yesterday.

The officer who was kept under watch for several weeks is believed to be the main supplier of ammunition to bandits in furtherance of numerous serious crimes including bank robberies committed in the country within recent times.

Following a briefing session which Police Commissioner Randolph Burroughs held with his senior officers, a contingency plan went into action deploying the various Task Forces

which combined with the Tactical Unit Flying Squad, Robbery Squad, Narcotics Squad, Stolen Vehicles Squad, divisional detectives, members of the women police branch, guard and emergency branch and tracker dogs with their handlers in a pre-dawn raid yesterday.

The party comprised almost 200 personnel being involved in cordoning off an area including Beetham Highway and the Priority Bus Route and the entire set of decanting houses in what was considered one of the largest police operations for the year.

## ARRESTED

So far, more than 25 men and women have been picked up by the Police for questioning after a quantity of firearms, ammunition, household articles including washing machines, stoves, alcohol, motor-cars, motor-car parts and cycles were seized.

The operation caused one of the biggest traffic pile-up experienced by motorists travelling to the city as it was reported that commuters as far back as the junction of Churchill-Roosevelt Highway and Princess Margaret Highway were affected.

Curious spectators came out of their flats and shanties to observe the operation, although they were kept at a distance by the armed policemen who sealed off the area.

The Police seized a quantity of alcohol in one house. This was suspected to have been stolen from the Rum Bond at Laventille on Sunday night.

In the same house a quantity of household articles and ammunition were seized, although the occupants denied any knowledge of how the things reached inside.

It was reported that some of the unoccupied decanting houses were used as a base by the bandits and perpetrators of serious crimes from time to time, as numerous reports were reaching the Police about the intermittent visits by strange characters.

The majority of the persons detained were from Point Fortin, Arima and other country areas. It was learnt that some of the persons held were part of a gang operating in the Champs Fleurs district including two men who were shot and wounded — one for the second time within the week.

Assisting in the raiding party were Acting Assistant Commissioner Rodwell Murray; acting Senior Supt. Malcolm Bobb; Acting Supt. Desmond Prime; Inspectors Edward George, Ruthven O'Connor and Rudolph Leache.

## Report on Plot

Port-of-Spain TRINIDAD GUARDIAN in English 3 Sep 83 p 1

[Text] REPORTS of a plot to overthrow the Government of Trinidad and Tobago by members of a radical group within a local Black Muslim sect have been received by Police Security forces.

The reports, Police sources told the "Guardian" yesterday, have come from within the sect itself and they tell of activities by a group of about 30 fanatical members who are apparently bent on removing the present Government and setting up a fundamental Muslim regime in the style of Iran's Ayatollah Khomeini.

Police are working on information that the group of plotters, including a number of ex-soldiers of the Trinidad and Tobago Regiment, are already in possession of small arms and may be training other members of the sect in the use of firearms.

It is understood that the group is receiving some form of support from the Iranian regime. Police sources yesterday confirmed that officials from the Iranian Embassy in Caracas, Venezuela, have visited the headquarters of the sect located in one of the Western suburbs of Port-of-Spain. And members of the group have been visiting the Iranian Embassy in Caracas over a period of time.

According to reports reaching the Police, it seems that the revolutionary group does not have the full support of members of the sect and there is, in fact, some kind of internal struggle between the hard core of extremists and those belonging to a more moderate faction.

As a result, the revolutionaries are believed to be seeking wider support from certain Leftist and dissident groups in the country including a number of trade unions. It is understood that they have also contacted a certain parliamentarian.

### Recent Bombing

Police sources do not believe that any of the traditional Muslim organisations in Trinidad and Tobago are connected in any way with this group and its activities. But the Security forces are taking the reports seriously, particularly in light of the recent bombing of an international convention held in San Fernando by another controversial Muslim group.

They are also concerned about the spread of revolutionary violence in various parts of the world through the activities of fundamental Muslim leaders, the Ayatollah Khomeini and Col. Muammar Gaddafi.

It was recalled that about two weeks ago, Trinidad and Tobago Government refused permission to a Libyan aircraft transporting arms to Nicaragua to refuel at Piarco Airport.

Police Security sources refused to reveal their plan of action in response to these reports. It is understood, however, that a surveillance network has been set up to monitor the activities of members of this sect. Search raids have been made on their headquarters, but reports say that their training in firearms is conducted in certain remote areas of the country.

#### Lack of Arrests

Port-of-Spain SUNDAY GUARDIAN in English 4 Sep 83 p 1

[Text] NO ARRESTS have yet been made concerning reports of an alleged plot to overthrow the Government of Trinidad and Tobago by members of a radical group within a local Black Muslim sect.

Police sources said yesterday that investigations are continuing into the latest developments and a number of angles are being pursued including one involving illegal immigrants in the country.

According to the sources, a number of persons with military training are members of one or more of these religious sects.

Other sources indicate that the small group is attempting to use a religious basis for making the government and the society a target for violent attacks.

#### 18 September Plan

Port-of-Spain SUNDAY EXPRESS in English 4 Sep 83 p 3

[Text]

**POLICE SECURITY** forces are said to be "vigorously pursuing investigations" of a tiny dissident group within the Muslim community of Trinidad and Tobago that is suspected to be plotting the violent overthrow of the Government and is responsible for the bombing incident at an Ahmadiyya Muslim convention on August 12 in Marabella at which 14 persons were injured.

Reliable police security sources confirmed yesterday a report that the militant Muslim organisation with about 30 members and a headquarters in St. James is "determined to overthrow the Government" and is planning some violent activity for September 18.

Reports link the group with an international network of violent Muslim movements like the ones that have surfaced in Khomeini's Iran and Gaddafi's Libya and say that the local men are armed. It is charged that arms have been obtained from

such international sources and that former members of the Trinidad and Tobago Defence Force who are among the dissidents are conducting training exercises in various parts of the country.

The police sources link the report of smuggled arms to alleged public claim by a Member of Parliament that he "had under his control a small group of individuals in possession of arms which had been brought into the country."

Another link is that several persons were recently charged with crimes of violence, and for whom a Member of Parliament had stood bail, but who failed to appear in court to answer charges.

Following the bombing in the Marabella Senior Comprehensive School in August, Mustapha Kemal Mohammed of the Ahmadiyya Anjuman told the SUNDAY EXPRESS he believed that "certain elements with militant tendencies" linked to violent foreign Islamic sects were responsible.

As long ago as September 14, 1977, Maulana Hydal, a Trinidad Muslim

official who has travelled to about 30 countries to Islamic meetings, published an open letter to President Ellis Clarke warning that affiliates of the Muslim World League tried to undermine other religions and also international fraternal and civic organisations like the Freemasons and Red Cross.

Hydal said an Ahmadiyya mosque in Chicago had been bombed only days before the Marabella bombing. He supplied the National Security Forces with the name of a former missionary to Trinidad who had broken with the movement after about a year in Trinidad and "began to publish literature against me and the church."

The dissident group is reported to have been seeking support from members of radical trade unions and other anti-establishment organisations in Trinidad and Tobago. It is believed that the dissidents hold meetings late at night and that their activities are being monitored by Security Forces.

SEE Opinion on Page 6

### Criticism of Government Handling

Port-of-Spain SUNDAY EXPRESS in English 4 Sep 83 p 6

[Text]

ON FRIDAY, the EXPRESS was told by a member of the nation's security services that a radical Muslim group, or at least some 30 or so members of the group, were arming themselves, were involved in training with ex-Regiment soldiers and, supported by radical Iran, were plotting an armed overthrow of the Government of Trinidad and Tobago.

The story sounded to us to be at once far-fetched and mischievous and we took the decision not to

print it until we could get it verified at the highest possible source—that is, the Minister of National Security, if not the Prime Minister himself. A coup attempt is hardly a matter for a policeman to joke about or for a newspaper to treat lightly; but if the story lacks truth, or official authority, it can only be alarmist. And, indeed, the scanty details provided by the security serviceman amounted, at the time, to little more than hearsay.

The trouble is, this is not the first time that mem-

bers of the security services have taken it on themselves to "leak" information to the media. The hot-headed comments made by St Augustine Representative John Humphrey at a public meeting in the runup to the Local Government election were in fact brought to an absent Press attention by the security services. So, too, the recent, and factual, story about the Government's decision to turn down a Libyan Airlines' request to use Piarco International airport.

In both the case of Mr Humphrey's unfortunate outburst and the Libyan Airlines story, our reporters could carry out independent investigations and verify the facts. That is their principal function—to get a story right. And, generally, reporters are not particularly concerned who their sources of information are; their real concern is checking whatever information comes their way so that they can reproduce what they reasonably believe to be the facts.

This was the main hang-up of the security serviceman's story: if it were true, how were we to check it? Was the source impeccable because it had proved correct on two occasions before? Still, it re-

mains incredible that something as serious as a planned armed overthrow of the constitutionally elected Government of Trinidad and Tobago should come to the attention of the Press, and therefore the public, through something as dubious as a "leak" from the security services, and an unconfirmed leak at that. We would believe that something as serious as this would require a proper statement from the Minister of National Security. Or, if things are indeed very bad, from the Prime Minister who is ultimately responsible for the security of the State.

It is not that we cannot believe that there are misguided people in our midst who are quite capable of aping the fanatical forces that have been unleashed by the turbulence in the Middle East. The recent planting of bombs at a Muslim conference in San Fernando tells we are not immune from the forces of international terrorism.

This awareness does require vigilance on our part and on the part of the country's security services. But if the security services come across a genuine plot to overthrow the Government, why aren't the people involved dealt

with in a direct manner under the law? Why instead should the security services seek to plant information in the Press, especially information of such an inflammable nature? Does this reflect genuine concern for State security or is there an element of mischief-making involved as well?

The security services claim to have information from within the group about the planned attempt to overthrow the Government. Ex-Regiment soldiers, six in number, are said to be involved. Have any arrests been made or are any about to be made? What is the point in leaking information about the so-called plotters to the media? Is it to scare them off before they get dangerous? Is it to set the stage for some outrageous move against persons whom the Government or the police may believe to be dangerous or merely troublesome? Why haven't the security services employed anyone of our vast number of laws to detain suspected terrorists and bring them before the courts?

At the moment, there are simply too many questions left unanswered for us to take this report with anything less than an enormous grain of salt.

#### Arms Search by Troops

Port-of-Spain TRINIDAD GUARDIAN in English 5 Sep 83 p 1

[Text] A DETACHMENT of the Trinidad and Tobago Defence Force went to the agricultural and fishing village of Cachipa, near Matelot, on a secret mission early yesterday morning.



It is understood that the detachment, under Major S. Derrick, was to search for arms and ammunition as security sources believe that the area could be used as a base for the importation of arms and ammunition.

Maximum security measures are being undertaken by the Defence Force in the wake of reports of a plot to overthrow the Government by a radical group within a local Black Muslim Sect.

According to the reports, which have come from within the sect itself, a group of about 30 was apparently bent on removing the present Government and setting up a fundamental Muslim regime in the style of Iran's Ayatollah Khomeini.

Police are working on information that the plotters, including ex-soldiers of the Trinidad and Tobago Regiment, are already in possession of small arms, and may be training other members of the sect in the use of firearms.

#### In Battle Style

Yesterday morning's operation took residents of Matelot by surprise when they saw one of the large Trinidad and Tobago Coast Guard boats anchored outside, and the men disembarking in battle style.

It is understood that helicopters of the Air Wing of the Ministry of National Security were used to air-lift some of the soldiers to the forest.

Chief of Defence Staff, Commodore Mervyn Williams, contacted yesterday, said that the presence of Defence Force personnel at Matelot had merely to do with community work as far as he was aware.

#### Police Sweeps, Arrests

Port-of-Spain TRINIDAD GUARDIAN in English 5 Sep 83 p 3

[Text]

SOME 22 persons have been detained for questioning for offences ranging from bank robbery to possession of firearms and ammunition and abduction as Police Commissioner Randolph Burroughs mounted island-wide Police operation yesterday morning.

More than 100 men and women from the various police divisions took part in the raids.

The Police party, which moved into full gear after a briefing session shortly after midnight included members of the Tactical Unit, special Emergency Squad, Flying Squad, and Narcotics Squad and tracker dogs with their handlers.

The party checked the East Dry River, Port-of-Spain before moving into Beetham Estate, Curepe, San Juan, Arima, Claxton Bay and San Fernando.

A Belmont man pending on a number of charges for armed robberies and wanted in connection with a series of recent armed robberies, was held.

The Police seized a .38 revolver and several rounds of ammunition from the wanted man who was also questioned about a 13-year-old girl who was in his company at the time.

It is understood that the girl was reported missing from her home since August 3.

The Police party held a young man of Beetham wanted on a number of warrants for armed robberies,

including recent bank robberies — one at San Juan, and the other at San Fernando, shooting with intent, and possession of 34 rounds of ammunition.

At Plaisance Road, East Dry River, another man was held in connection with a recent armed robbery of \$12,000 from the cashier of an Old St. Joseph Road, Laventille supermarket.

#### COCAINE SEIZED

At Spring Village, Curepe, three persons were held, and more than 50 pieces of jewelry including slave bands, rings and bracelets were seized from a home together with 117 tubes of cocaine and 65 parcels of marijuana.

The Police are now calling on persons robbed of jewelry to visit the St. Joseph Police Station with a view of identifying the items lodged there.

Commissioner Burroughs said the majority of persons held yesterday morning were people who were allowed bail.

He said that bailors were allowed to use deeds from time to time,

although the bail bond sometimes far exceeded the value of the property.

It was not good enough for bailors to give the excuse that the value of their properties had increased, he said.

He added: "I have advised Justices of the Peace to examine carefully the relevant documents produced by bailors before granting bail."

Mr. Burroughs has already alerted the Fraud Squad under Assistant Superintendent Hubert Williams to investigate malpractices by professional bailors.

Assisting Mr. Burroughs in yesterday's operation were Detective Superintendent Dennis Taylor, Inspectors Edward George, Jimroy Wyse and Rudolph Leache; Acting Inspector William Alexander and Sergeants Cordell Crooks, Michael Lambert and Rodney Sankar.

CSO: 3298/006

## TAPIA HOUSE URGES FORMATION OF UNITED NATIONAL PARTY

Port-of-Spain EXPRESS in English 30 Aug 83 p 3

[Text]

THE Tapia House Movement has issued another call for the formation of a United National Party.

The call was made in a resolution adopted at a special retreat of party members held Sunday to discuss the political situation in the country in the wake of the Local Government Election and to plan the party's strategy for the period ahead.

The resolution which was unanimously adopted, stated that Tapia recognised that Trinidad and Tobago has been traditionally deeply divided among several ethnic communities and that such divisions have consistently been exploited by some political parties to achieve narrow electoral ambitions.

The resolution further stated that the traditional politics of ethnic division and rivalry had been inimical to the economic, social and cultural development of the entire nation.

Tapia warned that in the critical period ahead there were bound to be some political parties which would try to continue to exploit the ethnic divisions of the population and that the only defense against such attempts, and the only salvation for Trinidad and Tobago, lay in a United National Party embracing each and every ethnic community.

The full text of the resolution:

"We the members of the Tapia House Movement.

"In recognition of the fact that the society of Trinidad and Tobago has traditionally been deeply divided among

several ethnic communities;

"In recognition of the fact that these divisions have traditionally been exploited by political parties, including the present ruling party, in order to achieve narrow electoral ambitions;

"In recognition of the fact that such divisive political practices have excluded many of our peoples from the fullest participation in our Nation's affairs and have been inimical to the economic, social and cultural development of the nation;

"In recognition of the fact that the people of Trinidad and Tobago have now demonstrated their commitment to the ideal of National Unity by their support for the National Alliance in 1981 and the accommodation in 1983;

"And in recognition of the fact that in the critical times ahead there will be those who will seek to continue to exploit and to widen the divisions amongst our people;

"Do hereby resolve. To firmly maintain our position in favour of a United National Party and to call upon all parties and interests genuinely committed to the well-being of Trinidad and Tobago to work towards the formation of such a Party, embracing each and every ethnic community and providing for all our peoples the guarantee of security, justice and equality, as the only defence against the politics of ethnicity and the only salvation for Trinidad and Tobago."

CSO: 3298/008

## COLUMNIST SCORES CHAMBERS' INDEPENDENCE MESSAGE

Port-of-Spain SUNDAY EXPRESS in English 4 Sep 83 p 6

[Article by David Renwick]

[Text]

**ADOPTING HIS best statesman's manner, Prime Minister George Michael Chambers lectured us on our extravagant spending habits in his Independence message last week. If the political defeat at local government level suffered by his People's National Movement (PNM) party three weeks previously was in his mind at all, he gave no sign of it.**

Indeed, instead of currying our favour, Mr Chambers went out of his way to warn us that he intended to inflict harder times on us in the immediate future. He made it clear that he would shortly introduce 'new measures', the effect of which would be a "further tightening of the reins of the economy and, hopefully, imposing a greater sense of discipline, self-restraint and self-reliance on all of us."

Is this an intimation of a mini budget to come before the end of the year, when the 1984 financial package would normally be presented in any case? If so, it would be a highly melodramatic departure from tradi-

tion, befitting only a situation of real crisis (in the accurate sense of that word.) Can it really be said that Trinidad and Tobago is in such a situation at the moment?

Mr Chambers's address was long on alarmist rhetoric but short on actual facts to buttress his semi-apocalyptic tone. He gave two specific details, one relating to foreign exchange usage for the first five months of the year, the other to gasoline consumption.

According to him, the consumption of gasoline has continued to increase, despite the higher prices prevailing as a result of the 1983 budget, and is running five per cent above last year's level. But what Mr Chambers didn't tell us, perhaps because it might have weakened his case, is that the five per cent applies only to premium gasoline and, if anything, illustrates that the increased price has had some effect, since in the comparable period in 1982, consumption had increased by eight per cent.

The average annual increase in premium gasoline in recent years has been between eight and 10 per cent a year, according to a spokesman for National Petroleum. Far from being unaffected by the higher gasoline prices, drivers appear to have responded to them with an almost 100 per cent cutback in the growth of consumption.

In fact, there may have been little real growth in consumption of premium gas at all, when you consider that the number of vehicles on the roads must be increasing by at least five per cent on an annual basis, judging by the higher production levels of two of the motor assembly plants, Neal and Massy Industries Ltd in particular.

Mr Chambers is on no more convincing ground when he tries to pin

the blame for the decline in the stock of foreign exchange reserves on holiday travellers. It is true that \$111 million on vacation travel in five months sounds high but it is, in fact, a modest percentage of the amount of foreign currency utilised for all purposes during that period.

In any event, even the Central Bank has admitted that there was an unusual demand for foreign exchange during the first half of the year, as the devaluation rumour gained ground and there was speculation that the holiday allocation for individuals would be cut back (it stands at TT \$2,500 a year now).

The demand is understood to have slackened off in the second half of the year but perhaps the figures might not sound so impressive if they were quoted against a seven-month time frame, instead of five months.

However insubstantial Mr Chambers's case may be, it seems clear that he has decided to go ahead with some additional restrictive economic policy measures and the Demas Report (a copy of which, I understand, only he has in his possession at this time) is being invoked in justification of them.

However, Mr Chambers should be reminded of the need to ensure that he resists the temptation to go for the easiest and most vulnerable targets—the worker subject to PAYE, the small-time vacationeer, the lower-income consumer.

The postman going to New York for a three-week stay with relatives and spending the equivalent of TT\$2,500 in the process is manifestly not draining the Central Bank's coffers. The Chaguanas housewife who has just managed to buy a better refrigerator so she can keep her meat longer and perhaps stretch out her housekeeping money, can hardly be classified as a conspicuous consumer.

For the first time in most Third World societies—certainly for the first time in any Caribbean society—the working class has come into its own in Trinidad and Tobago in the last eight years. It would not be particularly macho to abort that new inheritance in the name of economic necessity, while the traditional beneficiaries of the good life in the ranks of the middle class carried on unaffected because they knew how to manipulate the system for their own continued benefit.

In short, if a dose of austerity is a necessary short-term policy—though, as I have noted, Mr Chambers has not proved his case—then it must be borne by those who deserve to bear it. This group must include the middle-class traders whom Dr Eric Bobb, the Central Bank's articulate Deputy Governor, has described as "over-invoicers of imports, under-invoicers of exports and purchasers of foreign exchange on the street market, whether at home or abroad."

It must be borne by those who spurn the medical skills of their own countrymen and the medical institutions in which they work and run to Florida or New York at the first sign of an ingrowing toe nail (and it isn't

the village carpenter or corner store proprietor who is doing so, that's for sure).

It must be borne by those who, despite themselves having been perfectly adequately educated in local schools, insist on sending their own children away to foreign educational establishments and have been traditionally subsidised by the taxpayer and the Central Bank for so doing. (No one in my humble, lower middle-class street in Trincity, it should be noted, has any child of secondary school age studying abroad, nor could any of us afford it).

To the extent that foreign exchange is being used up too fast, and consumption of goods and services continues to roar ahead unabated, those called upon to pay the price of restraint, therefore, must be those who have displayed what could be interpreted as contempt for their own fellow citizens and the productive nature of their own society.

It is not going to be easy to flush these people out of their well-protected and well-connected sanctuaries but if Mr Chambers is worth his salt, that is the target for which he must aim. He might find it buys him more respect and perhaps even some extra votes for 1986, who knows.

## CENTRAL BANK FINDS QUARTERLY SPENDING IN EXCESS OF REVENUE

Port-of-Spain TRINIDAD GUARDIAN in English 23 Aug 83 p 1

[Text]

GOVERNMENT incurred a deficit of \$120.8 million in the second quarter of 1983 following a large deficit of \$1,107.2 million in the first quarter.

For the first half of this year Government's expenditure outstripped revenue by \$1,228 million compared to a deficit of \$1,403.1 million over the same period last year.

The figures were given in the latest quarterly economic bulletin put out by the Central Bank of Trinidad and Tobago.

Revenue in the second quarter amounted to \$1,605.3 million, 44 per cent more than the first three months. The bulletin attributed the decline in revenue from a year ago to the performance of the petroleum sector which yielded \$700.7 million in revenue for the state in the second quarter of this year.

The first half of 1982 Government collected \$1,097.7 million compared to \$823.7 million for the same period this year.

The fall in government revenues was matched by a proportionate contraction in Government expenditures which amounted to \$3,948.1 million during the first half of 1983.

Government expenditures on capital projects in the first six months of 1983 fell below the level of similar disbursements in the corresponding period of 1982. Capital expenditure was \$977.6 million of 24.8 per cent of the total in January to June 1983 compared with \$1,536.5 million or 33.8 per cent of the total January to June 1982.

The pattern of disbursements from the special funds for long term development in the second quarter suggested a continued emphasis on construction activity.

The Building Projects Fund and the Infrastructure Development Fund together accounted for \$230.7 million of capital expenditure, while the Housing and Resettlement

Fund and the University Medical Complex (Mt. Hope) Fund accounted for a further \$173.9 million and \$34 million, respectively.

The Petroleum Development Fund which is used to finance development of the energy and energy-based sector, accounted for \$120.2 million of capital expenditure during the quarter.

The second quarter deficit was financed largely by way of draw-downs from Government's balances with the Central Bank. The Treasury Joint Committee Fund which mainly consists of the special development funds, declined by \$188.8 million while the State's other cash balances rose by \$51.7 million.

The external debt for the first quarter incorporates end of March payments of \$148.7 million for loans raised on the Eurodollar market in 1978. During the second quarter \$13.3 million was repaid on loans incurred for the purchase of the wide-bodied aircraft for the national airline, while \$2.5 million was repaid on a loan related to the cement plant expansion.

At June, 1983 the outstanding national debt stood at \$1,924.5 million, 60 per cent of which consisted of external debt.

The bulletin said the most significant and encouraging development of the second quarter was the slow-down in the rate of growth of Government expenditures. On a cash flow basis, government expenditure for the first half of this year amounted to \$3,948 million, 13 per cent lower than expenditure in the corresponding period in 1982.

Government revenues have also declined such that the overall deficit on government fiscal operations amounted to \$1,228 million for the first half compared to a deficit of \$1,403 million in the first half of 1982.

## FEDCHEM CHIEF QUILTS; DISPUTE WITH OWTU CONTINUES

Port-of-Spain TRINIDAD GUARDIAN in English 3 Sep 83 p 1

[Article by Mikey Mahabir]

[Text]

A DRAMATIC turn of events has taken place at the multi-million dollar fertiliser complex of Federation Chemicals Limited at Point Lisas. The company has announced the resignation of Mr. Fred Hildebrandt, president, with effect from Thursday, September 1, 1983.

The resignation came in the midst of a breakdown of wage negotiations between the company and the Oilfields Workers Trade Union

(OWTU) on behalf of the 400 hourly rated weekly paid workers. Also while the OWTU is awaiting work from the Registration, Recognition and Certification Board on his application to represent the 150 plus monthly salaried workers of the company.

It also took place amidst the threat by the company to retrench a number of workers for economic reasons.

Mr. Hildebrandt has been succeeded by Mr. A.W. Ayres as president. Mr. Ayres was executive vice president. A circular, dated August 29, 1983, posted on the notice

board of the company's Point Lisas office stated.

"Federation Chemicals Limited regrets to announce the resignation of Fred Hildebrandt for personal reasons. Mr. A.W. Ayres is appointed to replace him as president effective September 1, 1983."

Mr. Hildebrandt, married to a Trinidadian, joined Fedchem in December 1959, as a chemical engineer. He later moved up to plant superintendent then president. Mr. Charles Barrow, office relations manager, confirmed the resignation and appointment of Mr. Ayres.

Mr. Hildebrandt was reported to be out of the country.

Meanwhile a check revealed that two of the three plants at the company which was shut down recently have resumed operations but on a limited scale. The company received a supply of sulphur from Texaco.

## PUBLIC SERVICE ASSOCIATION LEADER BLASTS GOVERNMENT

Port-of-Spain EXPRESS in English 2 Sep 83 p 1

[Article by Camini Maharaj]

[Text]

IN a scathing attack on Government's policy of creating privately-run, State-owned companies, Public Service Association acting President Dr Kenrick Rennie yesterday charged that the formation of these companies is the virtual "breaking-up" of the public service.

In an exclusive interview with the EXPRESS at his Abercromby Street Port of Spain office, Dr Rennie commented on the controversial take-over at the Port of Spain General Hospital.

"In the name of productivity and efficiency the Government has been creating a number of State-owned companies and authorities aimed at taking over several traditional public service areas.

"Companies such as the Secondary School Maintenance Training and Security Company, the School Nutrition Company, Secondary Roads Company, Airport Authority and more recently, the Hospital Management Company were all created to manage and control the related public service areas. The consequence of the formation of these companies is the virtual breaking-up of the public service".

Dr Rennie said Government had been justifying their action by suggesting that Public Service workers are lazy and inefficient.

"So in order to provide an efficient service privatisation of some areas is necessary that is, these areas, itself should be managed by private companies created and financed by the state", he said.

Commenting on the fate of the 100 em-

ployees of the Port of Spain General Hospital now facing retrenchment, Dr Rennie explained that the "privatisation" of traditional public service areas by the introduction of state-run companies results in work force reduction in the service.

"Our experience has been that when these state-owned companies take over existing government departments, new staff is employed before consideration is given to the future of public servants who are working in these areas", said Dr Rennie.

He noted that in many cases permanently employed workers were re-deployed elsewhere in the public service. "But," he said, "temporary workers with several years' service are laid off".

He charged that the Government enjoyed cheap labour by having temporary workers perform on going day-to-day functions and therefore had a moral obligation to these workers some of whom had up to 20 years' temporary service.

Dr Rennie said the PSA denounced any attempt to abolish public service posts to pave the way for the establishment of new bodies and would offer strong resistance to any such actions.

On August 30, the eve of Independence 1983, more than 100 employees of the Port of Spain General Hospital, now facing retrenchment met at the Engineering Department to discuss a take-over bid by the National Hospital Management Company.

Selwyn Ramatal, an electrician with the Ministry of Health for 21 years spoke to the EXPRESS: "It's like adding salt to the wound. We are already working in a deadend job with no incentives. They want us to give



up everything for nothing- pension, seniority status, benefits, everything."

The father of five, Ramatal, who is attached to the Port of Spain General Hospital, added he would fight the matter. "I'm not going to throw my whole life down the drain," he said.

Workers to be affected by the takeover are those of the Engineering Department, the Mechanical Workshop, the Boiler House and the Stores Division.

"Project Sanitation," the brainchild of the NHMC is the code name for a major sanitation scheme now underway at the General Hospital. The affected departments are expected to fall under the jurisdiction of the new scheme.

The EXPRESS learnt that workers were told to resign from their present job positions and re-apply for new jobs through the NHMC following a meeting with the company.

They stand to lose all benefits, including pension and seniority status, a source said.

Health Minister, Dr Neville Connel refused to comment when questioned by the EXPRESS about the hospital management company and pending retrenchment.

Hospital Management Company Personnel Officer Rudy Harper also refused comment.

CSO: 3298/008

## TOBAGO ASSEMBLY SETS UP STANDING ENVIRONMENTAL BODY

Port-of-Spain EXPRESS in English 2 Sep 83 p 21

[Article by Compton Delph]

[Text]

THE Tobago House of Assembly has appointed a strong Standing Committee on the Environment in keeping with a recommendation by a conference last month.

Theme of that conference was "Beautiful Tobago, our Environmental Heritage," and it came out in favour of a Standing Committee which will monitor the environment and take steps for its protection.

The Standing Committee will be headed by Assembly Chairman, A.N. R. Robinson, and will include all members of the Assembly's Health and Sanitation Committee.

Sandra Williams, Miss Republic of Trinidad and Tobago, 1983, "said Robinson. "She represents beauty which is what we are all about," he added.

Miss Williams is a staff member of the Assembly.

At the July Conference, several highly specialised papers on the Tobago

environment were presented and discussed. The famous Buccoo Reef came under particular scrutiny and among recommendations was one to provide floating anchorage for boats visiting the area.

The corals, it was pointed out, were being destroyed by boats which cast anchors for mooring.

"This is a ground-breaking event," Robinson told the EXPRESS yesterday. "The appointment of the Committee is innovative and emphasises the importance we are placing on the conservation of our environment."

The Committee, he explained, is very representative and will include such people as the County Medical Officer, the Chief Education Officer, public health inspectors, architects, and representatives from the Chamber of Commerce, Rotary Club, Solid Waste Company and the Chaguaramas

Development Authority.

"We also included Miss while visitors to the Reef were allowed to trample the area. To prevent this, it was also recommended that special courses be marked out for visitors who take to the sea.

## REFERENCE

Terms of reference of the Standing Committee as set out by the Conference and adopted by the Assembly are "to consider and make recommendations on all matters affecting the Tobago Environment, to make proposals for its conservation, and to advise on any matter that may be referred to it by the Assembly."

The Committee, Robinson, disclosed, will be holding its first meeting in the very near future.

Following is the full membership of the Committee: All members

of the Health and Sanitation Committee of the Assembly, Dr. Marjorie Nichol, County Medical Officer; Aldwyn Solomon, Town and Country Planning Division; Ms Joy Lyons, Planning and Development Division; Mrs. Nola Collier, Agriculture Division; Carlisle Jordan,

Fisheries Division; Keith Musgrave, Forestry Division; F.E. Burris, Solid Waste Co.; Keston LeLetchie, Health Education; Mrs. Debra Moore-Miggins, Lawyer; Stanley Baird, Club Crusoe.

Dr Hilton Clarke, Rotary Club; Dr Jesma McFarlane, Chaguaramas Development Authority; W. Koo, architect; Mrs E. Louis, architect, A. Phillips, W. Lawrence and G. Graham, Public Health Inspectors; representatives of the Chamber of Commerce and the Village Councils Association, the Chief Education Officer and Miss Sandra Williams.

## BURROUGHS REPORTS DROP SO FAR IN SERIOUS CRIMES

## Response to Public Fears

Port-of-Spain TRINIDAD GUARDIAN in English 29 Aug 83 p 3

[Text]

POLICE Commissioner Randolph Burroughs said yesterday that contrary to what was believed, there were at least 506 less crimes reported as at August 21 as against the corresponding period last year.

Mr. Burroughs revealed that there were less murders, rapes and robberies at this stage than during the same period in 1982. He said there were 6,979 serious crimes last year compared with 6,473 so far this year.

So far this year, there were 49 murders as compared with 53 up to the corresponding period last year. In 1982, there were 101 rapes compared with 89 so far this year; 54 suicides up to August 21 last year compared with 39 this year; and 1,175 robberies last year to 880 this year.

Mr. Burroughs said that some people suggested that there was a total breakdown of law and order in the country, but the crimes figures suggested otherwise.

The Commissioner said that due to the increase in awareness of citizens and the publicity given to the crimes committed by the news media, it was wrongly felt that crimes were on the increase.

He said he would have been disappointed if citizens did not express their disapproval of the number of crimes committed for it should be the wish of all to live in a "low crime" area.

The Commissioner reiterated that the Police alone could not successfully combat crime and no political regime, no system of law, police, justice, punishment, treatment or even terror has rendered a

country exempt from crime.

"However, with the assistance of the law abiding majority of citizens, the Police Service would continue to strive to make Trinidad and Tobago safe for citizens to enjoy the fruits of their labour," Mr. Burroughs added.

He revealed that a total of 11 firearms were seized during the past week and 18 persons held in connection with the seizure. Commenting on the recent success, Mr. Burroughs was high in praise for his officers. But although he was pleased with their performances, he was disturbed about the number of unlicensed firearms that was circulating in reckless circles.

## WARRANT ISSUED

With specific reference to bank robberies, Mr. Burroughs said that from 1982 to date there were ten bank robberies, and 11 persons have since appeared in court charged in connection with five of the robberies and a warrant issued for the arrest of another who is in Venezuela.

The Commissioner said he has been in touch with his Venezuelan counterpart and through Interpol supplies the Venezuelan Police with certain information. The suspect has since been arrested and a large quantity of Trinidad and Tobago currency seized.

Mr. Burroughs further added that the Police were working on the theory that there was an organised gang with a hideout in the Champ Fleurs area. He said the gang, which

was split into units that operate throughout the country committing armed robberies, was headed by a man who is wanted for questioning in connection with murder.

He said the gang had accumulated a substantial amount of cash and was able to recruit ex-convicts and persons pending charges into their fold, after securing bail for them.

### Citizen Watch Groups

Port-of-Spain EXPRESS in English 30 Aug 83 p 3

[Text]

THE establishment of "citizens' watch groups" to combat the increase crime rate in County St Patrick will come up for discussion at a meeting being organised between St Patrick County Councillors and South-Western Division Police.

St Patrick chairman, Surujrattan Rambachan said yesterday he had despatched a letter to South Western Division Superintendent Peter Richards seeking a meeting to discuss three major issues.

Rambachan, who is also the deputy political leader of the Organisation for National Reconstruction, said the setting up of the vigilante committees in all villages would be one of the Council's suggestions. He said there had been notable increase in the number of rape reports in the country.

Mr Rambachan said the Council had called on

the Trinidad and Tobago Electricity Commission to replace street lights in several areas in the county but nothing was done. He said that on the stretch on the Siparia Old Road where several temples, mosques and churches were located, 56 out of the 75 street lights were not working.

"We are calling on the Minister of Public Utilities to intervene. How can T&TEC ask for a 300 per cent increase when they are not fulfilling a moral obligation for the

people," he said.

The ONR Alderman added that the Council also intended to discuss "the ways and means of improving relationships between the police and St Patrick residents". The traffic congestion on High Street, Siparia, and pile-up during market days in Fyzabad and Penal will also come up for discussion, he said.

ONR Councillor Arthur Sanderson has been mandated to seek a preliminary meeting with the police on the matter.

CSO: 3298/007

## GOVERNMENT MINISTRIES WORKING ON MAJOR RIVER POLLUTION PROBLEM

Port-of-Spain SUNDAY GUARDIAN in English 28 Aug 83 p 1

[Text]

TWO GOVERNMENT ministries are moving to solve one of the country's major environmental headaches — the growing pollution of the Caura River and general damage to the Tacarigua Valley.

In response to a recent report compiled by the Forestry Division, working with an Organisation of American States (OAS) team, Dr. Patrick Alleyne told the "Sunday Guardian" that initial steps were being taken.

Dr. Alleyne, Permanent Secretary in the Ministry of Agriculture, Lands and Fisheries, yesterday said his ministry is in contact with the Ministry of Health over the matter.

The problems are numerous and deadly, according to the findings of the joint team and a senior official last week pointed out that the politically touchy issue of removal of squatters.

Some squatters on the land in question — sixty one per cent or 3,092 of which is state owned — use it for agricultural purposes, but their methods of clearing, use of chemicals and disposal of faecal matter are extremely dangerous.

Other squatters have simply moved into the area, erecting shacks close to water sources and contaminating the river through loose disposal of excrement.

On a wider level, said the Forestry official, the entire chaotic situation is hampering attempts at getting the nations environment under some sort of control.

The Northern Range Re-afforestation Programme (NRRRP) which began in 1972 led to contact with the OAS and the intention of getting food crops, improvement of water quality and creation of a better environment for the dwindling wildlife in the Tacarigua Valley.

But things have gone downhill and grown thornier. The report points out that several parcels of private land that should be acquired by the

State so that the area could be restored.

But government purchasing of private lands has been riddled with controversy over the last few years as in the Princess Margaret Highway situation where millions of dollars are lost every month through wrangles over prices.

The report says that the most serious problem concerning private land ownership in the area is the great extent to which the natural cover has been removed for agriculture and housing north of the Eastern Main Road.

Any more use of private lands south of the Churchill Roosevelt

Highway for housing will mean a massive amount of money being spent on drainage problems, says the report which notes that the Town and Country Planning division of the Ministry of Finance is aware of this.

The report recommends that a National Parks section of the Forestry division should be established and given the authority to restrict public access to the Tacarigua river which runs through the Caura Valley.

Other recommendations include:  
• Control of bathing. Only the deeper pools should be used for this purpose and access to the river prohibited where erosion is a problem.

## BRIEFS

TEACHERS' DISPLEASURE--THE ANNOUNCEMENT in Saturday's EXPRESS and other media that schools will open tomorrow with no hope for improved security arrangements and additions to the number of children receiving free lunches has been met with anger and disappointment by the Trinidad and Tobago Unified Teachers Association. TTUTA "strongly deplores" Education Minister Overand Padmore's decision to make the announcement in the media that financial constraints will prevent implementation of long-awaited plans for educational projects while negotiations on the matter were still in progress between the ministry and the union. "The public should be aware that TTUTA had raised these issues more than a year ago, and informed (Padmore) that our officials were ready" [Text] [Port-of-Spain SUNDAY EXPRESS in English 4 Sep 83 p 3]

ONR ON LOCAL COUNCILS--LAWS SHOULD be changed to curb the powers of the Chief Administrative Officers (CAOs) in the operations of local government councils. This was one of the points made during an all-day seminar by the Organisation for National Reconstruction (ONR) for their local government councillors. The session took place at the ONR headquarters in Port of Spain yesterday. It was contended that it was through the CAOs that the central government exercised an "administrative strangle-hold on the local councils". Mr. Fyard Hosein told the meeting that legislation should be implemented with respect to the CAOs and their wide discretionary powers in giving effect to the will of the councils. Political Leader Karl Hudson-Phillips implored the councillors to fulfill campaign pledges outlined in the ONR manifesto proposals for the August 8 local government elections. The policy proposals include: --Appointment of all councillors as ex-officio Justices of the Peace to deal with among other things bail and affidavits --Appointment of County Engineers --Establishment of Town and Country Planning offices on a county basis --Compliance by Central government institutions and agencies with local health authorities regulations --Revision of the financing of local government councils by the awarding of bloc grants to the bodies for them to decide on priority spending. [Text] [Port-of-Spain SUNDAY GUARDIAN in English 28 Aug 83 p 1]

FLIGHTS TO TOBAGO--BWIA will be operating 80 DC-9 and 1976 Avro flights to and from Tobago during the Independence weekend--from today to Wednesday. The national airline said that based on these flights, it would transport 17,648 passengers during the six-day period. The majority of passengers for the 17,648 seats have already been booked and ticketed. The airline is asking the travelling public to appreciate the space limitations of the Airbridge

Terminal and is appealing to passengers using its services to exercise discretion in their use of the limited space. Public Relations Manager Louis Lee Sing said: "The challenge the airline faces on the Airbridge is getting stand-by passengers to understand that when they purchase a ticket, they do so subject to space. "Stand-by passenger, in their eagerness to get on a flight, crowd the counters and make it extremely difficult for confirmed passengers to get to the counters to check in." He appealed to the public to assist the Airbridge by conforming to regulations. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 26 Aug 83 p 16]

TOBAGO INDUSTRIAL COMPLEX--AN \$11 million industrial complex in Tobago to provide factory shells for small manufacturers, is due for completion towards the end of next year. The complex, according to an official of the Central Administrative Services, Tobago, (CAST) will go a long way in boosting the efforts of small manufacturers in the island. At the moment, he explained, most of these people operate from their homes and small make-shift booths. They are involved principally in the handicraft business utilising, in many cases, locally available raw materials. The complex being built at Sangster Hill in Lower Scarborough, will provide 32 units and these will be rented to the small manufacturers at a reasonable rate. The project which is being financed by the Government, through funds made available to CAST, is being administered by the Industrial Development Corporation. Construction, said a CAST official, started in November last year, and already about 40 per cent of the work is done. This includes piling, foundation and structural steel works. "At the present rate of progress," said the CAST spokesman, "the contractors, Small Business Construction Company, a Tobago group, are expected to complete the project on schedule November 1984." [Text] [Port-of-Spain EXPRESS in English 24 Aug 83 p 20]

STEEL PROBLEMS--TRINIDAD, Aug 29 (CANA): Steel manufacturers here have complained that they are being forced to sell their products at rock bottom prices as steel companies in South Korea, Japan, Belgium, France, West Germany and the United Kingdom had "converted" Trinidad and Tobago into a "dumping ground" for steel. The "Trinidad Express" newspaper said the 110 million dollar (one TT dollar = 41 cents U.S) privately-owned steel producing company Central Trinidad Steel (Centrin) was the hardest hit. The paper quoted a company spokesman, Ken Ali, as saying his company was affected by the "dumping," but the alleged offenders were not named. Ali also complained that Centrin had to purchase its feedstock (billets and wire rods) from the state-owned Iron and Steel Company of Trinidad and Tobago (ISCOTT) at prices far higher than those on the world market. Centrin, the paper said, was buying wire rods from ISCOTT, at 300 dollars per tonne (almost 50 percent above the world price) while billets cost it 230 dollars per tonne or 40 percent above the world market price. [Text] [Kingston THE DAILY GLEANER in English 31 Aug 83 p 17]

CSO: 3298/032

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